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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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92-2245

(Mark One) Q 35624

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 1992

OR

_____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-4486

BEST COPY AVAILABLE

CANAVERAL INTERNATIONAL CORP.
(Exact Name of Registrant as specified in its charter)

DELAWARE	59-0933330
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

PROCESSED BY
85 13 M
MAY 20
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

7100 Biscayne Boulevard
Miami, Florida 33138
(Address of principal executive offices) (Zip Code)

(305) 759-2441
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of May 9, 1992
Common Stock, $.50 per value	3,172,205

THIS DOCUMENT IS COMPRISED OF 14 PAGES

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 1992 AND SEPTEMBER 30, 1991

ASSETS	1992	1991
LAND CONTRACTS RECEIVABLE	$4,000	$282,645
Allowance for estimated loss on cancellation	(306)	(18,372)
Unamortized contract valuation discount	0	(910)
	3,694	263,363
INVENTORY OF TELEVISION SHOW:	4,000,000	4,000,000
LAND UNDER DEVELOPMENT (Foreclosure - 1992)	1,331,250	1,800,069
INVESTMENT IN AND ADVANCES TO CORPORATE JOINT VENTURE	373,808	371,032
CASH	19,854	13,271
ADVANCES AND OTHER RECEIVABLES	477,455	471,261
PROPERTY LEASED TO OTHERS	344,908	344,908
LAND INVENTORY	3,392	11,628
DUE FROM OFFICER	83,304	210,811
PROPERTY AND EQUIPMENT	180,903	186,932
OTHER ASSETS	8,958	13,769
TOTAL ASSETS	$6,827,526	$7,687,044
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES:		
Mortgages and notes payable	1,593,489	1,587,000
Due to Officers	686,038	1,219,364
Accounts payable and accrued liabilities	637,089	467,136
TOTAL LIABILITIES	$2,916,616	$3,273,500
CONTINGENCIES AND OTHER MATTERS (See notes for details)	-	-
STOCKHOLDER'S EQUITY:		
Preferred stock; 100,000 shares of $50 par value authorized; 20,000 shares issued	1,000,000	1,000,000
Common stock; 6,000,000 shares of $.50 par value authorized; 3,435,786 and 3,395,786 shares issu	1,717,893	1,697,893
Capital in excess of par	9,960,807	9,656,821
Accumulated deficit	(8,089,778)	(7,263,158)
Common stock in treasury; 263,581 shares for 1992 and 263,581 shares for 1991, at cost	(678,012)	(678,012)
TOTAL STOCKHOLDER'S EQUITY	$3,910,910	$4,413,544
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$6,827,526	$7,687,044

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 1992 AND 1991
(UNAUDITED)

	1992	1991
REVENUES:		
Retail Real Estate Sales	$0	$22,319
INTEREST INCOME:		
Land Sales Contracts	0	8,787
Officers' Loans	0	4,003
Other	438	1,027
Rental	7,578	10,123
Other Income	4,414	4,292
	$12,430	$50,551
COSTS AND EXPENSES:		
Cost of Retail Real Estate Sales	0	10,525
Selling, General and Administrative E	144,604	122,449
Interest Expense	13,137	30,948
Provision for Loss on Land under Fore	552,645	0
	710,386	163,922
NET LOSS	($697,956)	($113,371)
NET LOSS PER COMMON SHARE OF STOCK	($0.22)	($0.04)
WEIGHTED AVERAGE SHARES OUTSTANDING	3,172,205	3,132,024

The results for the three months ended March 31, 1992 and 1991 are not necessarily indicative of the results of operations for the years ending September 30, 1992, and 1991, due to business fluctuations.

Loss per common share is computed by dividing the loss for the periods by the weighted average shares outstanding.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
SIX MONTHS ENDED MARCH 31, 1992 AND 1991
(UNAUDITED)

	1992	1991
REVENUES:		
Retail Real Estate Sales	$13,600	$72,719
INTEREST INCOME:		
Land Sales Contracts	5,501	19,978
Officers' Loans	0	8,855
Other	458	1,516
Rental	14,256	17,261
Other Income	9,242	10,629
	$43,057	$130,958
COSTS AND EXPENSES:		
Cost of Retail Real Estate Sales	8,236	15,728
Selling, General and Administrative E	282,568	274,740
Interest Expense	26,228	61,878
Provision for Loss on Land under Fore	552,645	0
	869,677	351,846
NET LOSS	($826,620)	($220,888)
NET LOSS PER COMMON SHARE OF STOCK	($0.26)	($0.07)
WEIGHTED AVERAGE SHARES OUTSTANDING	3,152,205	3,131,973

The results for the six months ended March 31, 1992 and 1991 are not necessarily indicative of the results of operations for the years ending September 30, 1992, and 1991, due to business fluctuations.

Loss per common share is computed by dividing the loss for the periods by th average shares outstanding.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED MARCH 31, 1992 AND 1991
(UNAUDITED)

	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	($826,620)	($220,888)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	6,029	9,140
Decrease in land contracts receivable, net of allowances	259,669	71,725
Increase (Increase) of other assets	6,853	(14,483)
Increase in other liabilities	169,953	203,646
TOTAL ADJUSTMENTS	442,504	270,028
Net cash used by operating activities	(384,116)	49,140
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease/(increase) in land under development/foreclosure (1992)	468,619	(102,493)
Investment in and advances to joint venture	(2,776)	(13,498)
(Decrease)/increase in due to officers and other related parties	(405,819)	38,586
Other	0	6,878
Increase in additional paid in capital	303,986	0
Net cash provided by (used in) financing activities	364,210	(70,527)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of mortgages and notes payable	6,489	0
Payment of mortgages and notes payable	0	(26,226)
Other	0	108
Proceeds from issuance of common stock	20,000	0
Net cash provided by (used in) financing activities	26,489	(26,118)
NET INCREASE (DECREASE) IN CASH	6,583	(47,505)
CASH:		
Beginning	13,271	77,237
Ending	$19,854	$29,732
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the six months ended March 31, 1992 and 1991	7,500	3,100

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1992
(UNAUDITED)

Note A. BASIS OF PRESENTATION

In the opinion of management, the accompanying consolidated condensed financial statements contain all adjustments (consisting of normal receiving adjustments except as described in the following notes) which are necessary to present fairly Canaveral International Corp.'s financial position as of March 31, 1992, and September 30, 1991; the results of its operations for the three months and six months ended March 31, 1992, and March 31, 1991; and changes in financial position for the three months and six months ended March 31, 1992, and March 31, 1991.

The accounting policies followed by the Company are set forth in the Company's financial statements included in Form 10-K of September 30, 1991, and are incorporated herein by reference and should be read in conjunction with the notes thereto.

Interim financial statements and data presented herein are unaudited.

Note B. LAND UNDER DEVELOPMENT/FORECLOSURE

Land under development/foreclosure consists of the Company's share of costs for the acquisition and capitalized development costs of the Joint Venture described in Note D of the September 31, 1991, Financial Statements. On April 2, the Resolution Trust Corporation as receiver and successor to the lender of the first mortgage on the property received a Final Summary Judgment of Foreclosure from the Circuit Court of the 11th Judicial Circuit in Broward County. The land has not been sold, and is not expected to be sold until June 15, 1992, at the earliest. The Company is continuing to negotiate with the Trust for Public Land regarding its sale of the property. In conjunction with the negotiations to sell to the Trust for Public Land, an independent appraisal was made during the quarter ending March 31, 1992, and the value was estimated to be $2,662,500. Accordingly, the Company has written down its carrying value of the land to 1/2 of its appraised value and realized a loss on writedown of $552,645 in the quarter ending March 31, 1992. The final loss will not be determined until the property is sold, however, the asset is believed to be valued at no more than market value which is below cost.

Note B. TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 1992, the President of the Company sold 300,000 shares of Registrant stock held by himself and his wife jointly. As a part of its sale, the President resigned, assigned 105,000 of debt owed to him by the Company to the Buyer and to its new President, exchanged 200,000 of debt owed by the Company to him for a 2-year, 8% promissory note due with quarterly payments of principal and interest, and forgave the balance of money owed by the Company to him. The forgiveness of debt is treated as an increase in capital and amounts to $303,000. The resigned President is continuing as a consultant for one year.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDING MARCH 31, 1992

Interest income changed as a direct result of the change in the base over which the interest is applied. The large reduction in interest on land sales contracts is a result of the December, 1991, sale of the U.S. Land Sale Contracts.

The slight decrease in rental income from 1991 to 1992 is due to a lower occupancy rate in the rental space of the Corporate Office Building.

The majority of Other revenue was generated from billing affiliated companies/co-venturers for costs incurred on their behalf.

Interest expense net of capitalized interest decreased in 1992 as a result of discontinuing the accrual of interest on amounts owed to the Officers for Deferred Compensation and unpaid Bonuses.

The current inflation impact had no effect on the Company's net sales and revenues and on operating income.

The loss on land under foreclosure is further explained elsewhere in Item 2 and in Item 1.

LIQUIDITY AND CAPITAL RESOURCES

In December, 1991, the Company sold all of the U.S. land sales receivables for $214,000. At the time of sale, the net balance of the receivables was $233,000. Of the $198,000 net proceeds after closing costs, the Company made a partial payment to the President and to the Chairman of the Board of $50,000 each against promissory notes which were previously secured by the land sales receivables. The Officers personally guaranteed the Company's guarantee to buy back any defaulted contracts at the unpaid balance. After the $100,000 payment, the principal balance of loans payable to Officers/Directors/Shareholders is $1,784.75 and $6,489.23, respectively. The balance of the proceeds were used for working capital requirements.

As of March 31, 1992, the Company had advanced approximately $443,000 to the lessee of a 75-year ground lease as follows: $190,000 towards negative cash flow (funded in prior years) and $253,000 advanced prior to 1990 primarily related to the permanent financing discussed above. These advances are to be repaid from future cash flow, including net proceeds from refinancing or sale. As of March 31, 1992, the buildings are generating positive cash flow. In 1990, $22,000 of advances were repaid and during fiscal year ended September 30, 1992, it is expected that either advances will be partially repaid or rent will be received, although no rent from cash flow has ever been received.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

In October, 1987, the Company entered into an agreement with three other parties to organize a corporation ("Ventura") for the purpose of acquiring and developing property for approximately 600 mobile homes in St. Lucie County, Florida. The Company owns 33-1/3% of the outstanding shares of Ventura and had disbursed, as of September 30, 1991, $371,000 to Ventura; $45,000 as capital and $326,000 as a loan. Ventura has purchased the property at a total cost of approximately $949,000, of which $243,000 was paid at closing. The balance, approximately $706,000, was financed by a purchase money note and mortgage, which, among other stipulations, is payable over six (6) years beginning October 30, 1988, at approximately $117,600 per year plus accrued interest on the unpaid balance. In 1990, two-thirds of the interest payment was paid by the Company and one of the partners. The non-paying partner issued a promissory note for his share. The 1990 principal and 1991 principal and interest payments are in default. The mortgage holder offered an extension until April, 1992, provided the 1991 real estate taxes were paid, which request for payment has been complied with.

Ventura is in the process of attempting to obtain financing to develop the project. It is estimated the amount of financing required to develop the property is approximately $5,400,000 of which approximately $500,000 will be used to pay off the existing mortgage and accrued interest. The Company is also exploring the possibility of selling its interest in Ventura.

In August, 1988, the Company, through its subsidiary, Green Acres, Inc., together with a 50% Joint Venturer, Lake Worth Road Corporation, purchased approximately 53 acres of land for the purpose of developing 436 housing units in Miramar, Florida. The purchase price of $2,600,000 was financed by a first mortgage bank loan of $2,000,000 and a privately placed second mortgage loan of $500,000. The Company has reflected 50% of the purchase price, acquisition and closing costs, credits and capitalized interest as Land Under Development on the balance sheet, and 50% of the financing as Mortgages and Notes Payable (Refer to Notes C and I in the September 30, 1991, Audited Financial Statements). The Company is contingently liable for the Joint Venturer's portion of the bank loan.

The writedown was based upon a recent report of an independent appraisal which is attached as Exhibit A. (See Item A, Note A for further information).

The Resolution Trust Corporation (RTC) is the Receiver and Successor to the lender of the first mortgage on the Miramar property. In October, 1991, an action to foreclose the mortgage was served on the Joint Venturers due to default under the loan. On April 2, 1992, the court awarded RTC a final summary judgment of foreclosure and during the quarter ending March 31, 1992, the Company wrote the property down $552,645.

The withdrawal was based upon a recent report of an independent appraisal which is attached as Exhibit A. (See Item A, Note A for further information).

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

The Trust for Public Land, a nonprofit organization, has submitted to the Joint Venturers an Option Agreement for the purchase of all or part of the property. The completion will depend upon the rezoning of the property, which the City of Miramar has approved and RTC either staying or withdrawing the availability of funds for the Trust for Public Land and the completion of the transaction prior to foreclosure sale of the property.

Although it is the Company's opinion that this transaction is viable, there are no assurances that it will be completed.

The Company leases office space, representing a portion of the corporate executive building owned by the Company, to various third parties. Rental income generated from these leases totaled approximately $14,256 in the six months ending March 31, 1992; and $17,261 for the same period in 1991.

The Company plans to fund debt maturities, as disclosed in Note I to the financial statements contained in the September 30, 1991, 10-K report, as follows:

Fifty percent (50% portion of mortgages, collateralized by land under development ($1,000,000 and $250,000) - The principal balances of the mortgages were due on February 12, 1990. As previously discussed, in October, 1991, an action to foreclose the mortgage was completed on the Joint Venturers', Green Acres, Inc., a Florida corporation (a wholly-owned subsidiary of the Company) and Lake Worth Road Corporation, a Florida corporation, due to default under the loan documents on April 2, 1992.

As previously discussed, the Trust for Public Land, a non-profit organization, has submitted to the Joint Venturers an Option Agreement for the purchase of all or part of the property. The completion of this transaction will depend upon the rezoning of the property, which the City of Miramar has granted. The availability of funds to RTC and the completion prior to the foreclosure sale.

Mortgage collateralized by the corporate executive building ($300,000) - The principal balance is due in August, 1993. Corporate management intends to extend the terms, and begin a long-term amortization of the principal balance at that time. There is no assurance that the mortgagee will agree to the extension or long-term amortization. At the present time, the interest payment due the mortgagee is in default and the real estate taxes on the building for the years 1990 and 1991 have not been paid.

Demand notes for cash loans in the amount of approximately $6,489 plus interest, payable to Officer/Director/Stockholder and his spouse, will be repaid as excess cash becomes available. However, the Officer/Director/Stockholder reserves the right to collect the amounts due as set forth by the notes and the loan agreements.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

On March 30, 1992, D. S. Dubbin, the President, Director, Shareholder and his wife sold 300,000 shares of their stock in the Company to Barry Pomerantz, an investor. In connection with the sale, Mr. D. S. Dubbin resigned as the President, whereupon Mr. William Craig was elected as the President of the Company. As a part of the sale of stock and resignation, the Company and Mr. D. S. Dubbin exchanged general releases and D. S. Dubbin and his spouse, Gladys Dubbin, assigned $105,000 of money owed to them to Barry Pomerantz and William Craig. They received a two-year, 8%, $200,000 Promissory Note payable by the Company in eight quarterly payments. Gladys and D. S. Dubbin forgave the balance of the money owed to them by the Company and the Company accordingly wrote off liabilities in the amount of $303,986. Attached Exhibits C-D are documents relative to their transaction.

As reflected in the consolidated statements of operations, the Company incurred net losses for the two years reported, as well as previous years. As reflected in Note 1 to the financial statements contained in the September 30, 1991, Form 10-K, notes and mortgages are disclosed and the first mortgage on the land was foreclosed upon April 2, 1992. The Company's portion of the mortgages, which represents 50% of the total, is $1,250,000. Management's plans regarding these matters are as follows:

1. Land under development (Note D - 10-K 9/30/91) - Continue negotiations with the identified buyer for all or part of the land.

2. Investment in corporate joint venture (Note E - 10-K 9/30/91) - Arrange for the necessary financing to develop the property and explore the possibility of selling the Company's interest.

3. Property leased to other (Note F - 10-K 9/30/91) - Hold the property and collect rent from the positive cash flow which the buildings are presently generating or sell the property. Per the ground lease agreement, the Company will share 50% of the net proceeds from the sale or the property. Management believes the Company's share of the net proceeds from the sale of the property will exceed the cost of the property plus amounts advanced to the lessee.

4. Management is attempting to raise funds through a private placement in Europe of five-year convertible debentures for $7,500,000.

5. The Officers/Directors/Shareholders/ are attempting to bring new capital into the Company through negotiations with unrelated parties. No agreements have been entered into at the time of this report. If an Agreement is consummated, the effect may be a change in control and/or management.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

There is no assurance that any of the above-listed plans will be completed.

Subsequent to the six months ending March 31, 1992, the new management of the Company have negotiated four transactions which should have positive effects on the Company's operations. The projects are as follows:

1. The Company, through its wholly-owned subsidiary, Media Communications Corp. (MCC), has entered into a contract to purchase a $10 million Country Gospel Music Library for $600,000 in notes maturing 1/2 in 6 months and the balance in 12 months and 40,000 shares of MCC Series A, $50 Par Value Convertible Preferred Stock. As a part of the purchase, the sellers are guaranteeing $10 million of revenue within 13 months of funding the operation of the Library. The revenue will be 1/4 cash and 3/4 in approved television commercial advertising time. Six thousand (6,000) shares of MCC stock will be held in escrow to guarantee the revenue.

2. The Company is about to complete the acquisition of a Video and Film Library valued at $8 million. The payment by the Company will be the issuance of 20,000 shares of the Company $50 Par Convertible Preferred Stock and the issuance of a $150,000 promissory note due in six months.

3. The Company has entered into an agreement to acquire the assets of a subsidiary of a Nevada corporation that is in the process of liquidating its operating assets. It is envisioned that the remaining net assets acquired by the Company will consist of certificates of deposits and receivables exceeding $11.8 million. The Company will issue 6,764,410 newly issued shares of common stock.

4. The terms and conditions of a Private Placement in Europe are in the process of being finalized. The Placement will be $7.5 million in convertible debt instruments due in five years. The repayment will be guaranteed by a sinking fund at inception of $4.5 million after commission and costs, the Company should net $2.5 million in cash. This debt is convertible into common shares of the subsidiary at the ratio of $5 per share. At least two of the above transactions are expected to be compensated during the quarter ending June 30, 1992, and will be reflected in its financial statements at that time.

5. The Company has entered into a contract to sell its corporate executive building located at 7100 Biscayne Boulevard, Miami, Florida 33138, to Biscayne Medical Arts, Inc., (hereinafter called "MED"). In part, the agreement calls for the transfer of the executive corporate building of Canaveral International Corp. (CIC) in exchange for 70% of the stock of MED. Also, MED owns, through its subsidiaries, a company called Global Food and Medical Trading, Inc., a Florida corporation, and properties located at 178 N.W. 54th Street, Miami, Florida, and 7300 Biscayne Boulevard, Miami, Florida. MED operates a family medical clinic doing business under the name of International Family Medicine, Inc. (IMF), and is expanding to other clinical locations. After the completion of the merger, CANI shall own 70% of the stock in MED and the former owners of MED and IFM will own 30% of the new entity.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

6. Drawing on years of experience of acquiring, building and managing real estate, CIC plans to evaluate income reducing properties as they enter the market for resale from Resolution Trust Corporations, Savings and Loans and Commercial banks. CIC intends to aggressively acquire, through high leverage financing, these properties which meet the income producing and cash flow requirements established by the Company.

7. The Company, through its former directors, board of directors and extensive business contacts, has a vast number of cash flow core businesses that it is at the present time evaluating. These core business would become a valued part of the CIC corporate structure. The Company, through its many years of being diversified in many fields, has the expertise to evaluate these core businesses as to cash flow and to growth potential.

Part 2. Other Information

Item 1. Legal Proceedings

A. In December, 1990, the Company was awarded damages in the amount of $65,000 resulting from litigation with an unrelated third party to collect on a $65,000 installation note which matured on October 31, 1989. The $65,000 represents the balance of a non-refundable commitment fee for expenses, work and services in connection with the acquisition of certain assets from this third party by the Company. The accompanying financial statements do not reflect the award since collection is presently unknown.

B. An action had been commenced in the United States Court for the Southern District of Florida against Canaveral International Corp. (the Registrant) and others. The title to the action is Ronald Singer, as general partner of Investment Associates, Ltd., a/k/a Investments Associates, Ltd., of California, a California limited partnership, versus Central Bank & Trust Company, n/k/a NCNB National Bank of Florida; Canaveral International Corp.; Canaveral Financial Corp., N.V.; and Colonial Coach Estates Lake Worth, Inc. (Docket Number 90-1547).

Subsequent to the six months ended March 31, 1992, all parties to the suit finalized a settlement which will have no cost to the Company, and will return 98,000 shares of Company common stock to the Company.

C. The Company was notified that a case which had previously been dismissed has been re-opened, wherein the Plaintiff alleges that the Company defaulted on the repayment of a promissory note, the outstanding balance of which is claimed to be $27,009.00. The Company does not expect any negative impact resulting from this suit.

D. The Company is also involved in another litigation incident to its operations and has filed a counterclaim in this action, but does not expect the outcome will have a material effect on its operations.

Part 2. Other Information (Continued)

Item 2. Changes in Securities - None

Item 3. Defaults Upon Senior Securities - None

Item 4. Submission of Matters to a Vote of Security Holders
None

Item 5. Other Information - None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit I - Calculation of Loss Per Share

(b) Exhibit A - Independent appraisal letter regarding the value of the land under foreclosure.

(c) Exhibit B - Copy of assignment of $105,000 debt from Daniel S. Dubbin and his wife, Gladys Dubbin to Barry Pomerantz and William Craig dated 3/18/92.

(d) Exhibit C - Copy of promissory note issued to D.S. Dubbin in conjunction with his sale of stock and partial forgiveness of debt.

(e) Exhibit D - Copy of the general release from D. S. Dubbin and Gladys Dubbin to the Company dated 3/30/92.

(f) A current report on Form 8-K dated March 12, 1992, and March 30, reporting Item 5 other events was filed during the quarter for which this quarterly report is filed.

See attached Exhibits numbered

(f) 1: 8K dated March 12, 1992

(f) 2: Form 8 dated March 23, 1992

(f) 3: 8K dated March 30, 1992

EXHIBIT I

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
CALCULATIONS OF LOSS PER SHARE

FOR THE SIX MONTHS ENDED MARCH 31	ACTUAL OUTSTANDING SHARES	ACTUAL OUTSTANDING SHARES (1)
1992		3,152,205
Beginning Balance	3,132,205	
Ending Balance	3,172,205	
1991		3,131,973
Beginning Balance	3,131,923	
Ending Balance	3,132,225	

(1) No consideration was given to the exercise of stock options or warrants since the results would be anti-dilutive or less than 3%

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed in its behalf by the undersigned hereunto duly authorized.

CANAVERAL INTERNATIONAL CORP.
(Registrant)

DATE: May 14, 1992

William Craig, President/Treasurer

EXHIBIT "A"

David A. Pederson, MAI
President
George A. Trask, MAI
Executive Vice President

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WEST PALM BEACH OFFICE
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West Palm Beach, Florida 33409
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March 18, 1992

File #2961.let

Messrs. Henry Dubbin, Dan Dubbin, and Jack Armarnik
Green Acres, Inc. and Lake Worth Road Corporation
7100 Biscayne Boulevard
Miami, Florida 33138

RE: Our File No. 2961
Appraisal of 53.246 acres of residential land
Location: County Line Road, Miramar, Florida

Gentlemen:

As of the date of my appraisal of the above referenced property, there were a number of unresolved issues that could have affected my value estimate. The issues were all summarized in the transmittal letter and each had a possible impact on the development potential of the subject land.

As a point of clarification, in my opinion it was reasonably probable at the time of my appraisal that the ultimate resolution of these points would be favorable for development of the subject land. Therefore, my value reflected the expectation by a prospective purchaser that sewer and water would be available and that the compact deferral status would be lifted and that the property would be rezoned to R-1B allowing residential development at a density of 5 units per acre.

As of the date of this letter, the property has in fact been rezoned and the City of Miramar has confirmed that the compact deferral status has been lifted and that sewer and water have been reserved so that development of the property can immediately proceed as zoned. These facts reaffirm the accuracy of my assumptions in January which were the basis of my $50,000 per acre appraised value. Therefore, confirmation of these facts does not change my value conclusion but rather serves to reinforce the validity of the conclusion.

Additionally, it is my understanding, from reading Ordinance 92-27, that the City of Miramar will not deny development approval of the subject property based on the possible presence of an archaeological landmark. Instead, the

City would require monitoring of excavation and site development work. If, in the course of monitoring, the City officially designates an area of the subject property as an archaeological landmark, then development work would be halted pending issuance of a permit to proceed. If a permit was denied, it would appear that the agency denying the development rights would be obligated to buy the property at its market value.

I hope this letter clarifies the basis of my value estimate. Again, my value, as of January, essentially reflects the fact that an informed purchaser, at the time, would have anticipated the successful resolution of all development obstacles noted in my appraisal and would have paid a price based on the assumption that residential development of the property could proceed at a density of five units per acre.

Please let me know if you have any further questions or need additional clarification of my appraisal and analyses.

Sincerely,

D. A. Pederson

David A. Pederson, MAI
State Certified General Appraiser No. 686

EXHIBIT "B"

DANIEL S. DUBBIN
7100 Biscayne Boulevard
Miami, Florida 33138

March 18, 1992

IRREVOCABLE ASSIGNMENT

Canaveral International Corp.
7100 Biscayne Boulevard
Miami, Florida 33138

Gentlemen:

We, the undersigned, do hereby irrevocably assign to Barry Pomerantz, at 11 Broadway, 10th Floor, New York, New York 10004, and William Craig, at 2760 N.E. 19th Street, Fort Lauderdale, Florida 33305, $105,000.00 of the $580,363.63 due the undersigned, for salaries, bonuses, deferred compensation, and loans, and direct that they be paid said sum from the aforesaid sums due the undersigned.

WITNESSES:

D. S. DUBBIN

GLADYS DUBBIN

This assignment is hereby accepted and approved by Canaveral International Corp.

ATTEST:

CANAVERAL INTERNATIONAL CORP.

President

THE ABOVE IS A TRUE AND CORRECT COPY OF THE IRREVOCABLE ASSIGNMENT BY D.S. DUBBIN AND GLADYS DUBBIN TO BARRY POMERANTZ AND WILLIAM CRAIG.

NOTARY PUBLIC
STATE OF FLORIDA AT LARGE

MY COMMISSION EXPIRES:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. APR.21,1994
BONDED THRU GENERAL INS. UND.

EXHIBIT "C"

PROMISSORY NOTE

$100,000.00 March 25 1992

Two (2) years after date, for value received, we promise to pay to the order of D. S. DUBBIN and CLADYS DUBBIN, husband and wife, as tenants by the entireties,

TWO HUNDRED THOUSAND and 00/100 DOLLARS.

This note is payable at Canaveral International Corp., 7100 Biscayne Boulevard, Miami, Florida 33138, or at any other address upon written notice from the payee to Canaveral International Corp., and Barry Pomerants at 11 Broadway, New York, New York 10004.

The interest on this note is at the rate of 8% per annum from the above-written date until fully paid, with interest and principal payable quarterly as per attached payment schedule.

The maker and guarantor of this note further agree to waive demand, notice of non-payment and protest, and in case suit shall be brought for the collection hereof, or the same has to be collected upon demand of an attorney, to pay reasonable attorney's fees and court costs for making such collection.

In the event of default of any payment on this note, the entire balance due on this note becomes due and payable to D. S. DUBBIN and CLADYS DUBBIN without demand, with interest at 18% per annum from the date of default, and Canaveral International Corp. and the guarantor shall be jointly and severally responsible for payment hereon. All payments are to be made to D. S. DUBBIN and CLADYS DUBBIN.

In the event that either the maker or the guarantor of this note shall become insolvent or file for bankruptcy, then this note and all accrued interest thereon shall become due and payable.

This note shall be governed by the laws of the State of Florida.

SIGNED, SEALED AND DELIVERED IN OUR PRESENCE:

CANAVERAL INTERNATIONAL CORP.

BY: _____ President

ATTEST: _____ Secretary

_____ Barry Pomerants, Individually Guarantor

CARMEN CARABALLO
Notary Public, State of New York
No. 24-4979766
Qualified in Kings County
Commission Expires August 31, 1992

PAYMENT SCHEDULE FOR

PROMISSORY NOTE

$200,000.00 March 26, 1992

TWO HUNDRED THOUSAND and 00/100 DOLLARS,

Payable two (2) years after date,

principal and interest at 8% per annum payable quarterly:

1st Quarter	$25,000 principal plus $4,000 interest	=	$29,000
2nd Quarter	$25,000 principal plus $3,500 interest	=	$28,500
3rd Quarter	$25,000 principal plus $3,000 interest	=	$28,000
4th Quarter	$25,000 principal plus $2,500 interest	=	$27,500
5th Quarter	$25,000 principal plus $2,000 interest	=	$27,000
6th Quarter	$25,000 principal plus $1,500 interest	=	$26,500
7th Quarter	$25,000 principal plus $1,000 interest	=	$26,000
8th Quarter	$25,000 principal plus $ 500 interest	=	$25,500

BARRY POMERANTZ

CANAVERAL INTERNATIONAL CORP.

WILLIAM CRAIG, PRESIDENT

EXHIBIT "D"

GENERAL RELEASE

KNOW ALL MEN BY THESE PRESENTS:

That D.S. DUBBIN, INDIVIDUALLY, and GLADYS DUBBIN, HIS WIFE, INDIVIDUALLY, and all heirs, legal representatives, and assigns of the individuals, for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration received from the parties hereto, the receipt of which is hereby acknowledged,

DO HEREBY release CANAVERAL INTERNATIONAL CORP., a Delaware corporation, its successors or assigns, of $580,363.63 due D.S. Dubbin and $21,560.00 due Gladys Dubbin, with the exception of the sum of $105,000.00 which is owed by the corporation to D.S. Dubbin and Gladys Dubbin, which is in turn to be assigned by D.S. Dubbin and Gladys Dubbin to Barry Pomerantz, and the sum of $200,000.00 which is to be paid by the corporation to D.S. Dubbin and Gladys Dubbin in the form of a two-year note, and with the further exception that this General Release shall not release Canaveral Internation Corp. from its obligation set forth in the Amendment to Article XXVI of the Bylaws of Canaveral International Corp. as adopted at the Annual Stockholders Meeting held on July 31, 1987, which Amendment serves to indemnify D.S. Dubbin and Gladys Dubbin in the event they are made a party to or threatened by any contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, and said obligation of Canaveral International Corp. shall remain in full force and effect, and DO HEREBY remise, release, acquit, satisfy and forever discharge the corporation from any and all manner of claims, action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, except as set forth hereinabove, in law or in equity, which said parties ever had or now have against each other or in which any personal representatives, successors, heirs, or assigns of any said party hereafter can, shall or may have against each other upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of these presents.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 30 day of March, A.D., 1992.

Signed, sealed, and delivered in the presence of:

D. S. Dubbin, Individually

Gladys Dubbin, Individually

STATE OF FLORIDA)
COUNTY OF DADE)

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments,

D. S. Dubbin

Gladys Dubbin

to me well known to be the persons described in and who executed the foregoing General Release, and they acknowledged before me that they executed the same freely and voluntarily for the purpose therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal at Miami, Florida, said County and State, this 30 day of March, 1992.

MY COMMISSION EXPIRES:

NOTARY PUBLIC, State of Florida

EXHIBIT "f 1"

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

DATE OF REPORT (Date of earliest event reported) - March 12, 1992

CANAVERAL INTERNATIONAL CORP.
(Exact name of registrant as specified in its charter)

DELAWARE	1-4486	59-0933330
(State or other jurisdiction of incorporation or organization)	Commission File Number	(I.R.S. Employer Identification Number)

7100 BISCAYNE BOULEVARD, MIAMI, FLORIDA	33138
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (305) 759-2441

ITEM 5. OTHER EVENTS

As previously disclosed, the Resolution Trust Corporation (RTC), as receiver and successor to the lender of the first mortgage on the Oaks of Miramar property, in October 1991 commenced an Action to Foreclose the mortgage on the property. This Action was filed by RTC in the Circuit Court of the 17th Judicial Circuit in and for Broward County, Florida, and served on the Defendants, Green Acres Inc. (a wholly-owned subsidiary of the Registrant) and Lake Worth Road Corporation on October 15, 1991.

The Oaks of Miramar property is identified in the Registrant's Balance Sheet as Land Under Development.

The Registrant received notice on March 12, 1992, that the RTC had filed a Motion for Final Summary Judgment of Foreclosure, with hearing on this Motion scheduled for April 2, 1992.

On March 12, 1992, the Registrant received a letter from J. Cameron Stacy, III, Esq., Gunster, Yoakley & Stewart, P.A., attorneys for the RTC, (copy of letter attached as Exhibit I), regarding The Trust for Public Land's request for an extension of their Option Agreement to purchase all or part of the Oaks of Miramar property. The Company has granted the requested extension (copy of extension approval is attached as Exhibit II.)

If the above Motion for Summary Judgment is granted, the Registrant would lose control of the property. As of December 31, 1991, the asset was valued at approximately $1,842,000 with $1,250,000 of principal mortgages and accrued but unpaid interest of approximately $300,000.

The real estate taxes have not been paid for the past three years, of which the Registrant's share is approximately $80,000.

The total loss to the Registrant cannot be fully identified since it could depend upon the amount that is ultimately realized upon disposal, but could exceed $500,000, and it is expected that this loss will be reflected in the financial statements for the period ending March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: March 24, 1992

CANAVERAL INTERNATIONAL CORP.
(Registrant)

BY: _____
Daniel S. Dubbin
President

GUNSTER, YOAKLEY & STEWART, P.A.
ATTORNEYS AT LAW
BROWARD FINANCIAL CENTRE BUILDING, SUITE 1600
500 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33394-3093

PLEASE REPLY TO
P.O. BOX 14000
FORT LAUDERDALE, FLORIDA 33302-4000

TELEPHONE (305) 462-2000
FAX (305) 523-1722

OUR FILE NUMBER: 13305.4

WRITER'S DIRECT DIAL NUMBER:

March 11, 1992

VIA FACSIMILE: 305-757-2145

Paul E. Gifford, Esquire
7100 Biscayne Boulevard
Miami, Florida 33138-5702

Re: RTC Vs. Green Acres, Inc., et al.
Case No. 91-029206 (23)

Dear Paul:

This letter will confirm the substance of the telephone conversation held between your clients, Messrs. Armarnik and Dubbin, and you, and my client, Evan Fears, as Agent for the RTC, and me, held on the afternoon of Wednesday, March 11, 1992, concerning the above styled cause. As Mr. Fears stated to you, it is the desire of the RTC, as Receiver for Ambassador Federal Savings, to take whatever actions will be most prudent to recover the indebtedness which is the subject matter of this litigation. Likewise, it should be your clients' goal to facilitate the repayment of their debt to the RTC.

At the present time, it is our understanding that the Trust For Public Lands ("TPL") requires an extension of the option which it holds for the purchase of the mortgaged property, for an additional thirty (30) days, to facilitate its completion of a closing. Inasmuch as a purchase of the mortgaged property by TPL presents a potential source for the repayment of the subject debt, we expect that your clients will grant the extension prayed for. If such an extension is granted, the RTC agrees that it will not conclude any foreclosure sale on the mortgaged property, pending the outcome of the efforts of the TPL to purchase the site.

EXHIBIT I

Paul E. Gifford, Esquire
March 11, 1992
Page 2

You may notify us of your giving of the extension sought by the TPL, by copying us with any correspondence with them communicating your agreement to the extension sought. Please keep in mind that Mr. McClymonds must receive word of your granting of the subject extension immediately, inasmuch as his superiors in California expect him to communicate with them on Friday, March 13, 1992, that the extension is in place.

We appreciate your cooperation in this matter, and look forward to receiving a copy of the anticipated correspondence. Until then, I remain

Sincerely yours,

J. CAMERON STORY, III
For The Firm

JCS/vcd/387/1354

cc: Mr. Evan Pears

THE TRUST FOR PUBLIC LAND

March 12, 1992

Mr. D.S. Dubbin
Mr. Jack Armarnik
Green Acres, Inc. and
Lake Worth Road Corp.
7100 Biscayne Boulevard
Miami, Florida 33138

Re: Option Agreement, dated 12/4/91 between Green Acres, Inc. & Lake Worth Road Corp. and TPL - Granting an Option to TPL (53 acres in Miramar - Old Perry Farm)

Dear Messrs. Dubbin and Armarnik:

This will confirm our conversation to the effect that in consideration of TPL's continued efforts to obtain funding from the State of Florida for public acquisition of the subject property, you agree to extend the term under Paragraph 2 of the Option Agreement one week through April 7, 1992. Thereafter the Option will be automatically extended, three successive times (April 7 - 14, April 15 - 21 and April 22 - 30), to continue negotiations for public acquisition of the property and obtain approval of any negotiated contract by TPL's Board of Directors. This is the only modification to the Option Agreement.

Please sign a copy of this letter and return to me indicating your approval of the foregoing. Thank you for your cooperation.

Very truly yours,

Robert C. McClymonds

Robert C. McClymonds
Project Manager

RCM/hr
Encl.

THE FOREGOING EXTENSION IS APPROVED.

March 13, 1992	March 13, 1992
Green Acres, Inc.	Lake Worth Road Corp.
By: _____	By: _____
Its: Pres	Its: President

DADE BRANCH OFFICE
1900 SRD ROAD
SUITE 303
SOUTH MIAMI
FLORIDA 33143
(305) 667-9660
FAX (305) 667-9677

EXHIBIT "f 2"

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8

AMENDMENT TO APPLICATION OR REPORT
Filed pursuant to Section 12, 13, or 15(d) of
THE SECURITIES EXCHANGE ACT OF 1934

CANAVERAL INTERNATIONAL CORP.
(exact name of registrant as specified in charter)

AMENDMENT NO. 1

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report for the fiscal year ended September 30, 1991, on Form 10-K (Commission File No. 1-4486) as set forth in the pages attached hereto:

Item No.	Description	Pages in this Amendment
1.	BUSINESS	1 through 9
2.	PROPERTIES	10
3.	LEGAL PROCEEDINGS	11, 12
6.	SELECTED FINANCIAL DATA	13
7.	MANAGEMENT'S DISCUSSION and ANALYSIS	14 through 21
8.	FINANCIAL STATEMENTS	22 through 43
10.	DIRECTORS and EXECUTIVE OFFICERS	44
14.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES	45 through 48

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

CANAVERAL INTERNATIONAL CORP.
(Registrant)

BY: _____
D. S. Dubbin, President

March 23, 1992

PART I

Item 1. BUSINESS

General

The Company, through its wholly-owned subsidiaries and joint ventures, engages in real estate developing and sales. The Company sells improved and unimproved land, on a retail basis, in Florida and Texas. Sales of lots are typically made to individuals on an installment contract basis, whereby an agreement for deed is entered into by the Company and the buyer.

All of the development costs for the wholly-owned subsidiaries engaged in retail land sales have been incurred prior to 1987. More than 86% of the revenues for the past five (5) years have been generated from the retail land sales business. The cost of sales by the retail land sales subsidiaries consists only of the expensing of inventory as sold, and the selling-related costs. There are no further development costs to be incurred regarding the retail land sales companies.

Due to economic conditions and since there is less than three-quarters of one percent of the original land purchased for retail sales remaining in inventory, the Company is discontinuing its retail land sales business. It is not envisaged that there will be any costs associated with the discontinuance of retail sales since it is a gradual sell-out process. There are still 27 acres of land to be sold in Canaveral Acres and one lot in Okeechobee.

The Company has never been dependent upon a single or few customers for sales, the loss of which could have an adverse impact on operations. There are no revenues subject to renegotiation or government contract cancellation.

In 1991 the Company entered the Country Gospel Music Television Industry by acquiring a library of 230 Country Gospel Music Television shows. It is the Company's intent to syndicate the shows as soon as working capital is available. There have been no operations involving the television shows since acquisition in August 1991. Upon the commencement of television operations, it is intended that the cost of the television shows will be recognized and matched against the revenues generated from the shows.

The proposed television operations consist of several divisions and include the addition of highly respected and knowledgeable management from the television industry. In Phase A it is intended that (1) additional film libraries will be acquired and, together with the existing library of films, two new television series will be produced and syndicated; (2) home video packages will be produced from the existing and any newly acquired inventory of films; (3) the final part of Phase A consists of the production of new videos from the country gospel music entertainers. The two new series will be targeted to broadcast on 100 television stations and two cable networks in the U.S. The initial market of the broadcast stations is expected to be in the "low-power" television industry across the nation. With the constantly increasing popularity of country gospel music, it is expected that this phase of television operations will be moderately profitable. The Phase A television operations' start-up costs are expected to range from $300,000 to $500,000 depending upon how much is undertaken at the same time. Financing of the start-up costs is being sought at the present time, and it is expected to be completed and in place within the next six (6) months. The start-up costs will consist primarily of salaries, facility, equipment and other syndication and marketing costs. The Company at this time is attempting to arrange for a loan through a European investment broker to cover the start-up costs. However, there is no assurance that the Company will be successful in obtaining this loan.

Item 1. BUSINESS (Continued)

General (Continued)

Revenue, operating profits (loss) and identifiable assets are summarized below for the three years ended September 30, 1991.

	Fiscal Year Ended September 30,		
	1991	1990	1989
Revenue			
Real estate (1)	$ 194,817	$ 528,688	$ 263,587
Other	38,505	55,875	42,985
	$ 233,322	$ 584,563	$ 306,572
Operating Profits (Loss) (1)			
Real Estate	$(681,680)	$(436,988)	$(574,156)
Other	38,505	55,875	42,985
Net Loss	$(643,175)	$(381,113)	$(531,171)
Identifiable Assets (1)			
Real Estate	$ 3,449,193	$ 3,642,808	$ 3,795,592
Inventory - Television Shows	4,000,000	-0-	-0-
Other	237,851	286,136	237,250
Total	$ 7,687,044	$ 3,928,944	$ 4,032,842

(1) Foreign operations, which represent less than 10% of the total revenue and identifiable assets, are included herein.

Other revenue is generated from billing affiliated companies, primarily co-venturers, for costs incurred on their behalf.

Item 1. BUSINESS (Continued)

REAL ESTATE SEGMENT

The Company owned, as of September 30, 1991, eight real estate developments listed below, which are more fully described in the succeeding sections:

Location	Date Acquired	Original Acreage	Approximate Acreage Unsold Sept. 30, 1991
Canaveral Groves* (Near Cape Canaveral, Florida)	1959	8,861	0
Canaveral Acres* (Holopaw, Osceola County, Florida)	1962	2,599	36
Freeport Ridge Estates* (Freeport, Grand Bahama Island)	1964	400	0
University Oaks* (Near Gainesville, Florida)	1979	317	0
Peace River Shores* (Punta Gorda, Florida)	1971	40	0
St. Augustine* (Near St. Augustine, Florida)	1971	56	0
Okeechobee (Near Okeechobee, Florida)	1965	13	1
Last Frontier Ranch (Jeff Davis & Presidio County, Texas)	1974	5,325	0

*These developments are registered with the Florida Division of Land Sales, Condominiums and Mobile Homes, and with the U.S. Department of Housing and Urban Development (HUD).

Land sales are made directly by the Company to the purchasers or by independent brokers. Commissions to independent brokers are 10% of the sales price.

All letter references to Consolidated Financial Statements can be found following Item 8 under Part II hereafter.

The retail land sales business of the Company has been in operation for over thirty (30) years. All sales are made in compliance with regulatory agencies as relevant and appropriate to the individual state or locality involved. The sales have been both cash and installment payments. The majority of sales are made by issuing an "Agreement for Deed" to the buyer and after full payment has been received, a "Warranty Deed" is issued. The terms range from payment in full at closing to 20 years, with the average installment payment period being five (5) years. Interest rates on the outstanding contracts at September 30, 1991, range from 6% to 11%. The weighted average interest rate is 9.5%. For the past five (5) years, the average down payment has been 10%.

Item 1. BUSINESS (Continued)

REAL ESTATE SEGMENT (Continued)

General (Continued)

CANAVERAL GROVES

Canaveral Groves, Inc. ("Groves"), a wholly-owned subsidiary of the Company, purchased 8,861 acres in Brevard County, Florida, in 1959 at a cost of $1,256,000. The tract, which is zoned agricultural with some residential, has been subdivided and developed. The property is located near Cape Canaveral and five miles north of Cocoa, Florida. At September 30, 1991, Groves had approximately $56,000 of land contracts receivable and all lots sold. Approximately $4,000 is reserved for cancellations.

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. The 1991 sales consisted of two (2) lots for $15,000 cash.

CANAVERAL ACRES

Canaveral Acres Inc. ("Acres"), a wholly-owned subsidiary of the Company, purchased approximately 2,599 acres in Osceola County, Florida, in 1962 at a cost of approximately $535,000. This tract, which is zoned agricultural, has been substantially subdivided and developed. The property is located 40 miles southwest of Cape Canaveral and 30 miles from Disney World. At September 30, 1991, Acres had approximately $125,000 of land contracts outstanding and 36 lots unsold which are carried in inventory at $11,600. Approximately $8,000 is reserved for cancellations.

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. The 1991 sales totaled 15 contracts for $83,400. The terms varied from cash sales to 10% down and payments for five (5) years at 11% interest.

FREEPORT, GRAND BAHAMA

Freeport Ridge Estates Limited ("Freeport), a wholly-owned subsidiary of the Company, acquired 400 acres in Freeport, Grand Bahamas, in 1964 for $750,000. The tract, which is zoned multiple-family dwellings, was subdivided into 1,000 lots. At September 30, 1991, Freeport had approximately $5,000 of land contracts outstanding and all lots sold. Approximately $300 is reserved for cancellations.

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. There have been no sales since November 1988.

UNIVERSITY OAKS

International Isles, Inc. ("Isles"), a wholly-owned subsidiary of Canaveral Groves, Inc., acquired 254 lots in Levy County, Florida, in 1979 for approximately $533,508, together with 82 contracts for deed with a balance of approximately $474,000. This tract is zoned for mobile homes and residential. At September 30, 1991, Isles had approximately $12,000 of land contracts outstanding and all lots sold. Approximately $800 is reserved for cancellations.

Item 1. BUSINESS (Continued)

REAL ESTATE SEGMENT (Continued)

General (Continued)

UNIVERSITY OAKS (Continued)

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. The 1991 sales consist of one lot for $1,500 cash.

PEACE RIVER SHORES

Sea Research, Inc. ("Research"), a wholly-owned subsidiary of the Company, acquired 142 improved parcels in Punta Gorda, Florida, in 1971 for approximately $103,000. In 1973, 16 additional parcels were acquired for $11,568. These parcels, which are zoned residential, waterfront residential, multiple dwelling, and commercial, are approximately 1/4 acre each and are in an existing subdivision in which approximately 100 homes had already been built by another developer. At September 30, 1991, Research had approximately $23,000 of land contracts outstanding and all lots sold in Peace River Shores. There is approximately $1,500 in a reserve for cancellations.

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. The 1991 sales consisted of two contracts totaling $8,400. One contract was a cash sale and the other was 10% down with monthly payments for five (5) years at 11% interest.

ST. AUGUSTINE

Research (see above) purchased five parcels totaling 9,000 feet of highway frontage on U.S. Route 1 near St. Augustine, Florida, in September 1971 for $122,850. This tract, which is zoned open rural and industrial warehousing, was subdivided into 255 parcels. At September 30, 1991, Research had approximately $21,000 of land contracts outstanding and all lots sold in St. Augustine. Approximately $1,400 is reserved for cancellations.

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. The 1991 sales consisted of one contract for $5,000. The terms were 20% down and the balance paid in six equal monthly payments without interest.

OKEECHOBEE

Able Engineering Company, Inc. ("Able"), a wholly-owned subsidiary of the Company, acquired two parcels in Okeechobee County, Florida, in 1965 for $70,000 in exchange for securities and received clear title in March 1973. These parcels consist of approximately 10 improved acres ("El Mirasol") and approximately 3 improved acres ("Connors Gables"). The two tracts, which are zoned residential, consisted of 69 lots in El Mirasol and 19 lots in Connors Gables. During the year ended September 30, 1991, Able collected the last of the land contracts outstanding and has no further lots for sale.

Item 1. BUSINESS (Continued)

REAL ESTATE SEGMENT (Continued)

General (Continued)

LAST FRONTIER RANCH

Last Frontier Ranch, Inc. ("Frontier"), a wholly-owned subsidiary of the Company, purchased approximately 23,000 acres in Jeff Davis and Presidio Counties, Texas, in January 1974 at a cost of $757,000 together with five options on an additional 57,000 acres. In 1976 Frontier returned approximately 17,675 acres to the original owners and abandoned the options to acquire the additional acreage. In return, all debt relating thereto was forgiven. The remaining tract of 5,325 acres, which is unzoned, was being sold in 10-acre parcels with 3,700 acres reserved for hunting privileges of purchasers of 10-acre parcels. During 1990 Frontier sold all of the remaining acres of land in Texas to an individual buyer for cash. Frontier retains all mineral rights on the sale of individual lots allowed by the State of Texas on the 38 sales of 10-acre lots currently under agreement for deed. At September 30, 1991, Frontier had approximately $40,000 of land contracts outstanding and no unsold land. Approximately $2,600 is reserved for cancellations.

Sales of lots commenced shortly after acquisition. All development has been completed for over five (5) years. There have been no sales of individual lots since March 1988.

5700 PROFESSIONAL PARK

The Company, through its subsidiary Green Acres Inc., ("G.A.") entered into a ground lease in June 1984 with an unrelated third party on a piece of commercial property Green Acres Inc. owned in Palm Beach County, Florida. The lease is for 75 years for which Green Acres Inc. received cash of $400,000 as prepaid rent for the first five years. Most of the proceeds from the prepaid rent were used to pay off a $350,000 mortgage note held on the property. The remaining deferred rent of $25,000 as of September 30, 1988, was realized (Refer to the Statements of Operations - Item 8) in 1989.

Two office buildings, known as 5700 Professional Park, have been constructed on the property by the lessee. As part of the rental the lessee agrees to pay the Company 50% of all positive cash flow. At its option, the Company may reimburse the lessee 50% of any negative cash flow. Should the lessee be required to advance money to the project in accordance with the ground lease in excess of the Company's contribution, then the lessee will be entitled to receive interest on such funds from the cash flow of the buildings. The Company has advanced the lessee $443,000 as of September 30, 1991. Said sum, which is an obligation of the lessee, is to be repaid from the cash flow including net funds from refinancing or sale of the buildings.

As of September 30, 1991, the buildings are 94% leased and during the 12 months ended December 31, 1991, generated positive cash flow. During the 12 months ended December 31, 1990, the cash flow was just slightly negative. During the Company's fiscal year ended September 30, 1990, $22,000 of advances were repaid and during the fiscal year ending September 30, 1992, it is expected that either advances will be partially repaid or rent payments will be received. The lease term for tenants in the buildings ranges from one to seven years with the average lease being five years.

Item 1. BUSINESS (Continued)

5700 PROFESSIONAL PARK (Continued)

In April 1988 the $2,800,000 construction loan of the lessee for construction of the office buildings was converted into a permanent loan of $3,500,000. The Company is a guarantor for a maximum amount of $800,000. The loan is collateralized by the land, building and improvements. The Company had also pledged a $100,000 note receivable as additional collateral on the permanent loan. The note has since been collected and is part of the advances to the lessee.

In the event the lessee does not start to pay rent in accordance with the Ground Lease Agreement of 1984, then pursuant to that lease agreement, the lessor, Green Acres, Inc., may bring an action as provided in the arbitration clause of the Ground Lease Agreement to collect any rents that may be past due.

ST. LUCIE COUNTY, FLORIDA

In October 1987 the Company entered into an agreement with three other parties to organize a corporation ("Ventura") for the purpose of acquiring, developing property and constructing approximately 600 mobile homes in St. Lucie County, Florida. The Company's investment in and advances to Ventura, as of September 30, 1991, consists of the following: 1) $25,000 original capital contribution for 25% of the outstanding stock; 2) $20,000 for the acquisition of 8-1/3% of the outstanding stock from one of the Joint Venturers; and 3) $326,000 in advances. The advances were made for purposes of acquiring the property, payment development costs, real estate taxes, debt financing, and other costs that Ventura incurred, such as surveying, engineering, and legal expenses. As of September 30, 1991, the Company owns 33-1/3% of the outstanding stock of Ventura. Ventura purchased the property at a total cost of approximately $949,000, of which $243,000 was paid at closing. The balance, approximately $706,000 was financed by a purchase money note and mortgage, which, among other stipulations, is payable over six (6) years beginning October 30, 1988, at approximately $117,600 per year plus accrued interest on the unpaid balance. In October 1988 Ventura paid the first installment of the note of approximately $192,000, which included interest. Also in October 1988 the Company loaned Ventura an additional $80,000, and two other shareholders loaned an additional $130,000. The $80,000 is included in the $326,000 advance previously described. During the year ended September 30, 1991, the Company loaned Ventura an additional $27,000, which is included in the aforementioned advance of $326,000.

On November 30, 1989, the mortgage payment due October 30, 1989, was extended for a period of six (6) months until April 30, 1990. On April 30, 1990, the mortgage payment was made together with all interest due at that time; thus, as of April 30, 1990, Ventura Club, Inc., paid for and owns without encumbrance approximately 54 acres of land consisting of Parcels 1, 2, and 3. On October 25, 1990, the $117,000 payment of principal, originally due October 30, 1990, was extended until January 31, 1991. On November 30, 1990, the Company and one of the other shareholders paid 2/3 of the interest accrued through November 30, 1990, as part of the extension agreement. The third shareholder received a separate extension until January 25, 1991, for his portion. There has been no payment of principal since April 30, 1990. In September 1991 the mortgage holder notified the Joint Venturers of their intention to foreclose the balance of the note and record a Quit Claim Deed on the encumbered portion of the property. In November 1991 the mortgage holder advised that if the real estate taxes on the property were paid by January 1, 1992, the recording of the Quit Claim Deed would be extended until April 30, 1992. The real estate taxes were subsequently paid and the recordation of the Quit Claim Deed has been extended until April 30, 1992, at which time the mortgage holder will record the Quit Claim Deed for the remaining encumbered property, unless the mortgage holder and the mortgagor negotiate a new agreement.

Item 1. BUSINESS (Continued)

MIRAMAR, FLORIDA

In August 1988 the Company, through its subsidiary Green Acres Inc., together with a 50% Joint Venturer, Lake Worth Road Corporation, purchased approximately 53 acres of land for the purpose of developing 418 townhomes and 18 single family detached homes as a Planned Unit Development (PUD) in Miramar, Florida. The purchase price of $2,600,000 was financed by a first mortgage bank loan of $2,000,000 and a privately placed second mortgage loan of $500,000. The Company has reflected 50% of the purchase price, acquisition and closing costs, credits and capitalized interest as Land Under Development on the balance sheet, and 50% of the financing as Mortgages and Notes Payable (Refer to Notes "D" and "I", Land Under Development, in the Consolidated Financial Statements). The Company is contingently liable for the Joint Venturer's portion of the bank loan.

On June 9, 1988, the Joint Venture, Green Acres Inc. and Lake Worth Road Corporation, applied to the U.S. Department of Housing and Urban Development (HUD) for a mortgage loan guarantee to cover acquisition and development of the property. On December 7, 1988, HUD gave preliminary approval to the loan guarantee by Site Appraisal and Market Analysis (SAMA) letter in the amount of $8,490,810. A closing date with HUD was set for July 6, 1989. On July 3, 1989, the Company was notified that HUD had frozen all closings and it was subsequently announced on August 11, 1989, that the Title X Program under which we requested the loan guarantee had been terminated. Subsequent to cancellation of HUD's Title X Program, an acquisition and development loan was applied for from a savings and loan institution. A tentative agreement had been reached for the financing; however, on November 30, 1989, the Company was notified that savings and loan institutions had been severely restricted from making any acquisition and development loans due to tighter regulatory controls.

The Resolution Trust Corporation is the Receiver and Successor to the lender of the first mortgage on the Miramar property. In October 1991 an action to foreclose the mortgage was served on the Joint Venturers, Green Acres Inc., a Florida corporation (a wholly-owned subsidiary of the Company) and Lake Worth Road Corporation, a Florida corporation, due to default under the loan documents. The Company has filed an Affirmative Defense. In March 1992 the Company was notified that the Resolution Trust Corporation had filed a Motion for Summary Judgment and that a date in early April 1992 has been set for a hearing before the judge; at the date of this report the outcome is uncertain.

The Trust for Public Land, a nonprofit organization, has submitted to the Joint Venturers an Option Agreement for the purchase of all or part of the property. The completion of this transaction will depend upon the rezoning of the property, which the City of Miramar has indicated their willingness to do, and RTC either staying or withdrawing their foreclosure proceedings.

Although it is the Company's opinion that this transaction is viable, there are no assurances that it will be completed.

Item 1. BUSINESS (Continued)

CORPORATE JOINT VENTURES (Refer to Note "E" in the Consolidated Financial Statements-Item 8)

On November 24, 1989, Green Acres Inc. entered into a Purchase and Sale Agreement with Lake Worth Road Corporation, wherein Green Acres Inc. purchased from Lake Worth Road Corporation 20-5/6 shares of Ventura Club, Inc., stock for $100,000, payment for which was made by a promissory note from Green Acres Inc. to Lake Worth Road Corporation in the amount of $100,000, dated November 24, 1989. Twelve and one-half (12-1/2) shares of said stock had been pledged by Lake Worth Road Corporation to a bank in return for a $40,000 loan, prior to Green Acres Inc. entering into the aforesaid Purchase and Sale Agreement. During 1990 Lake Worth Road Corporation delivered said shares to Green Acres Inc.

Simultaneously with the purchase of the Ventura Club, Inc., stock by Green Acres Inc., Mr. J. Armarnik, President of Lake Worth Road Corporation, personally signed a Guarantee of Obligations wherein he agreed that he would purchase the said 20-5/6 shares of stock from Green Acres Inc., on or before February 28, 1990, for $100,000, thereby cancelling the aforesaid promissory note from Green Acres Inc. to Lake Worth Road Corporation. Since this transaction is a purchase/re-sell agreement with the exchange of notes of equal value between the parties, the right to offset is acknowledged by the parties and due to the fact that the Company intended to set off the notes, there was no need to record the transaction on the Company's books. The recordation of debt where a clear right of offset exists could possibly distort the financial statements by overstating both assets and liabilities. To avoid the possibility of any overstatement of assets and liabilities, there were no entries to the books or distortions to the financial statements.

The February 28, 1990, date was extended until July 19, 1990. At the time of this report, negotiations are in process to resolve the note and purchase sale agreement.

In March 1992, Mr. J. Armarnik repurchased the shares of stock of Ventura Club, Inc., which cancelled the promissory note from Green Acres Inc. to Mr. Armarnik's Company, Lake Worth Road Corporation. Therefore the transaction as explained in the first two paragraphs of this page has been completed at no loss or profit to Green Acres, Inc.

Item 2. PROPERTIES

Reference is hereby made to Business of the Company, page 2 herein, for descriptions of all significant properties of the Company except its corporate headquarters and Country Gospel Music Library of television shows. The property of the corporate headquarters comprises a three-story concrete block building of approximately 15,800 square feet and approximately 21,900 square feet of land upon which the building and adjoining paved parking lot are located. The parking lot consists of approximately 7,650 square feet accommodating approximately 30 parking places and is zoned for duplex construction. The building was constructed in 1953. The total purchase price of the land and building on July 10, 1972, was $395,000. The present book value is approximatelv $184,000. At September 30, 1991, there was a first mortgage with a balance of $300,000. Monthly payments on the mortgage are interest only with a final payment of $300,000 due in August 1993. During the year ended September 30, 1991, the Company was able to pay only one-half of the monthly interest payments from January through July. The Company owed approximately $18,460 in delinquent interest and late payment penalties. Subsequent to year end, through the date of this report, the Company made an interest payment of $1,500, and at the date of this report, $22,960 was owed.

In August 1991 the Company acquired a Library of 230 Country Gospel Music television shows in exchange for 20,000 shares of $50 par value Series A Preferred Stock. The Company recorded the Library at a conservative $4,000,000, even though a recent independent appraisal valued the Library at $6,000,000. The Company expects to syndicate these valuable television shows as soon as working capital is available. It is estimated that marketing and administrative costs will be $100,000 to $200,000, and operations should commence in 1992.

Item 3. LEGAL PROCEEDINGS

On March 22, 1982, the Escrow Agent ("Agent") on purported authority of a Swiss Bank ("Bank") claiming to represent a majority of holders of 9½% debentures, which authority and representation had been contested by the Company, brought an action against the Company and one of its subsidiaries in the Eleventh Judicial Circuit Court of Florida, Dade County, on a $548,400 note, which original face value was $599,400, due June 30, 1978, which the Company failed to pay. The suit was for the payment of principal, accrued interest since January 20, 1977, at 9½%, attorneys' fees and other costs. Additionally the Agent asked for an equitable lien on the net proceeds, as defined, on certain property sales in Palm Beach County, Florida, under terms and conditions of the note. The Company defended this action by asserting that the Agent required certain authorization before suit could be commenced and that the Bank, which was in liquidation and was represented by its liquidators, was not the proper party to authorize suit. Swiss Law was supportive of this position in the opinion of Swiss lawyers.

The cause of this action had its origin in a debenture offering in 1970 by a subsidiary of the Company, which after several exchange offers and with the final exchange effected on July 1, 1976, resulted in a majority of the then outstanding $1,998,000 - 9½% debenture holders exchanging their debentures for (a) a mortgage of $517,224 received on the sale of a mobile home park in December 1975; (b) $599,400 in 9½% notes of a subsidiary due June 30, 1979, and guaranteed by the Company, and (c) 499,500 shares of Common Stock of the Company. In January 1982 the Company settled a lawsuit in which it received $169,000 of the 9½% debentures for $140,000 cash. Minority holders of $253,000 (13%) of 9½% debentures had not accepted any exchange offer.

In July 1985 the Circuit Court of the Eleventh Judicial Circuit issued an Order dismissing the case for want of prosecution. The Order was filed on August 5, 1985, and no appeal was filed within thirty (30) days from that date. Accordingly, the Order of Dismissal has been final. In the opinion of Counsel for the Company, the Statute of Limitations for the note and suit guarantee has run, which would preclude the escrow agent from prevailing if suit were refiled.

As a result of the dismissal, the Company had recognized in 1985 an extraordinary gain in the amount of $862,575, determined as follows:

Note Payable	$ 548,400
Accrued Interest from January 1977	411,537
	959,937
Less Receivable Assumed by the Company due to Settlement with minority debenture holder	97,362
Extraordinary Gain	$ 862,575

Item 3. LEGAL PROCEEDINGS (Continued)

The Company is a co-defendant together with two subsidiaries and an escrow agent in a suit filed in the United States District Court for the Southern District of Florida by a California limited partnership. The suit was filed on July 3, 1990, and is identified as Case Number 90-1547 - CIV - Ryskamp. The suit seeks Specific Performance, Constructive and Resulting Trusts and Declaratory Relief and claims Breach of Contract arising out of a 1976 escrow agreement in settlement of unpaid debentures which were issued by a foreign subsidiary and guaranteed by the Company as discussed in the preceding notes in this same Item 3. The relief sought by the Plaintiff is pursuant to 28 U.S.C. § 2201, et seq. and requests that the court enter a judgment: 1) determining that the Plaintiff is the owner of the majority of the bonds in escrow; 2) directing that the contents of the escrow be released to the Plaintiff; 3) declaring that the Defendants have no right, title, or interest in the escrow, its contents, or any proceeds derived therefrom; 4) declaring the Company and its two subsidiaries to be in default of their obligation under the pre-escrow agreement and the escrow agreement; 5) declaring the purpose of the escrow to be at an end and terminate the escrow; 6) award Plaintiff its fees herein; and 7) award Plaintiff such other feasible equitable relief as this court deems meet and proper. The Company is vigorously defending this action and in the opinion of Legal Counsel for the Company, the Statute of Limitations has run as to all possible courses of action against the Company.

Item 6. SELECTED FINANCIAL DATA (Continued)

SELECTED INCOME STATEMENT DATA:

	QUARTERS ENDED			
	12/31/90	3/31/91	6/30/91	9/30/91
Retail Real Estate Sales, Net	$ 50,400	$ 22,319	$ 23,934	$ 25,934
Other Real Estate Revenue	19,580	17,175	16,150	19,325
Total Real Estate Revenue	69,980	39,494	40,084	45,259
Other Income	5,255	5,886	4,269	23,095
Total Revenue	75,235	45,380	44,353	68,354
Provision for Loss on Property Leased to Others	-0-	-0-	-0-	(250,000)
Costs and Expenses	(182,753)	(158,751)	(159,055)	(125,938)
Net Loss	(107,518)	(113,371)	(114,702)	(307,584)
Net Loss Per Share	$(.03)	$(.05)	$(.04)	$(.09)

SELECTED BALANCE SHEET DATA:

Total Assets	$ 3,930,199	$ 3,933,957	$ 3,929,462	$ 7,687,044
Total Liabilities	2,981,101	3,098,121	3,208,337	3,273,500
Stockholders' Equity	949,098	835,836	721,125	4,413,544

SEE ACCOMPANYING NOTES TO SELECTED FINANCIAL DATA - PAGE 17 HEREWITH

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

1991

Retail real estate sales were 72% and 15% less than 1990 and 1989 levels. The decrease in sales from 1990 to 1991 is due to the lack of a large bulk sale in 1991 and the decrease in land inventory held for sale. Due to the low level of lots in inventory, the 1992 retail real estate sales are forecast to be considerably less than 1991.

Interest income changed as a direct result of the change in the base over which the interest is applied. The 30% reduction in interest on land sales contracts is comparable to the 37% reduction in the balance of receivables outstanding. The 9% increase in interest on Officer's Loan is equivalent to the 10% increase in the balance of the Officer's Loan account.

The slight increase in rental income from 1990 to 1991 is due to a lower vacancy rate in the rental space of the Corporate Office Building.

The majority of Other revenue was generated from billing affiliated companies/co-venturers for costs incurred on their behalf. The difference from 1990 to 1991 is largely due to the one-time write-off in 1990 of a deposit payable which did not require repayment.

Cost of retail real estate sales is greatly reduced from prior years' level as a direct result of the reduction in retail real estate sales.

Selling, general and administrative expenses were reduced 26% from last year's level primarily due to the discontinuance of the bonus program ($50,000), the Officers' forgiveness of past year's bonus payable ($50,000), and the reduction of salaries by 20%. The cost reductions are not expected to be able to be attained again, since general and administrative expenses are at a minimum level for operations.

Interest expense net of capitalized interest increased in 1991 primarily as a result of compounding interest on prior amounts owed, rather than as a result of new loans.

The current inflation impact had no effect on the Company's net sales and revenues and on operating income.

Inventory at September 30, 1991, is lower than at any time during the past five years. The reduced amount of land held for sale together with the depressed Florida real estate market indicates that fiscal year ending September 30, 1992, will have a significantly lower level of net real estate sales, and a corresponding decrease in net income from such sales, which will in effect cause higher operating losses. As a result of the lack of retail land sales market, and the low level of inventory of lots for sale, the Company is moving from reliance on retail land sales to the country gospel music and television industry as discussed in Item 1. of this report. Real estate activity will continue, but not in the area of retail land sales.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations during the year ended September 30, 1991, was $191,531, which is 22% less than cash flow from operations in the preceding fiscal year. Although net losses were substantially more than the previous year, a large part ($250,000) was due to the provision for loss on property leased to others. The largest source of cash flow from operations was the result of increased accounts payable and accrued liabilities. Many of the accounts payable due to vendors and suppliers at year end were past due and subsequent to year end have been paid in part or full, which will cause a negative cash flow for the fiscal year ended September 30, 1992. The cash flow from inventory was significantly less than 1990. In 1990 there was a bulk sale of property in Texas for $300,000. There was no similar reduction in inventory of land in 1991.

The cash flow from investing activities in 1991 was a negative $254,600, compared to a negative $216,482 for 1990. The largest component of the negative cash flow from investing activities consists of the increase in land under development. The increase in this account was largely due to the capitalization of interest on the mortgages which are secured by the land. The cash used by investing activities relative to the investment in and advances to corporate joint venture was significantly less than the prior two years. This reduction was a result of the nonpayment of the principal and interest due on the purchase money mortgage by the joint venture company. Since the payment was not made in 1991, there was no requirement for an advance as there was in past years.

The cash flow from financing activities in 1991 was a negative $897, compared to a positive $15,555 in 1990 and a positive $75,412 in 1989. The negative in 1991 was due to a partial repayment of notes payable of $1,000. During the prior two years, cash proceeds were provided by the arrangement of notes payable. In 1991, there were no new notes payable issued; consequently there was no cash generated from notes payable.

In June 1984 the Company entered into a ground lease, which includes a profit-sharing agreement. The lessee is leasing the property for a 75-year period and has constructed two office buildings on the property. As additional rent, the lessee will pay the Company 50% of all cash flow from the two office buildings, including 50% of the net proceeds from the sale of the buildings. The Company is also required to advance 50% of any negative cash flow or pay interest on funds advanced by the lessee in lieu of the Company making advances towards negative cash flow.

In April 1988 the $2,800,000 construction loan of the lessee for construction of the office buildings was converted into a permanent loan of $3,500,000. The Company is a guarantor for a maximum amount of $800,000. The loan is collateralized by the land, buildings and improvements.

As of September 30, 1991, the Company has advanced approximately $443,000 to the lessee as follows: $190,000 towards negative cash flow (funded in prior years) and $253,000 advanced prior to 1990 primarily related to the permanent financing discussed above. These advances are to be repaid from future cash flow, including net proceeds from refinancing or sale. As of September 30, 1991, the buildings are 94% leased and are generating positive cash flow. In 1990, $22,000 of advances were repaid and during fiscal year ended September 30, 1992, it is expected that either advances will be partially repaid or rent will be received. (Please refer to pages 6 and 7 of this report, 5700 Professional Park.)

of this report, 5700 Professional Park.)

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

In October 1987 the Company entered into an agreement with three other parties to organize a corporation ("Ventura") for the purpose of acquiring and developing property for approximately 600 mobile homes in St. Lucie County, Florida. The Company owns 33-1/3% of the outstanding shares of Ventura and has disbursed, as of September 30, 1991, $371,000 to Ventura; $45,000 as capital and $326,000 as a loan. Ventura has purchased the property at a total cost of approximately $949,000, of which $243,000 was paid at closing. The balance, approximately $706,000, was financed by a purchase money note and mortgage which, among other stipulations, is payable over six (6) years beginning October 30, 1988, at approximately $117,600 per year plus accrued interest on the unpaid balance. In October 1988 the first payment was made. In October 1989 the second payment was extended until April 30, 1990, and was paid at that time. In 1990 two-thirds of the interest payment was paid by the Company and one of the partners. The non-paying partner issued a promissory note for his share. The 1990 principal and 1991 principal and interest payments are in default. The mortgage holder offered an extension until April 1992 provided the real estate taxes are paid. It is Ventura's intention to pay the real estate taxes, and these taxes have subsequently been paid.

Ventura is in the process of attempting to obtain financing to develop the project. It is estimated the amount of financing required to develop the property is approximately $5,400,000 of which approximately $500,000 will be used to pay off the existing mortgage and accrued interest.

The Company's investment in and advances to Ventura as of September 30, 1991, consists of the following: A) $25,000 - original capital contribution for 25% of the outstanding stock; B) $20,000 - subsequent acquisition of 8-1/3 additional shares of Ventura stock from the 4th original shareholder. The 4th original shareholder's investment was purchased by the 3 present shareholders, which increased each of their holdings from 25 to 33-1/3 shares; C) $326,000 in advances - these advances were made for the purposes of acquiring the property, paying development costs, real estate taxes, debt financing, and other costs that Ventura incurred such as surveying, engineering, and legal expenses.

The Company is also exploring the possibility of selling its interest in Ventura, although the Company is not presently negotiating with anyone regarding disposition of its interest in Ventura.

The recoverability of the Company's investment in and advances to Ventura is dependent upon the ability to successfully develop the project or sell all or part of the Company's interest in Ventura. The Company has engaged a project financing specialist and is in the process of applying for a loan guarantee from the U.S. Department of Housing and Urban Development, which would provide the ability to finance the project in phases. At the present time Ventura has 53+ acres which are not securing the purchase money mortgage, and are free and clear of all debt. It is the Company's opinion that the interest in Ventura is recoverable, although the inability to secure financing could negatively impact the Ventura investment.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

In August 1988 the Company, through its subsidiary Green Acres Inc., together with a 50% Joint Venturer, Lake Worth Road Corporation, purchased approximately 53 acres of land for the purpose of developing 436 housing units in Miramar, Florida. The purchase price of $2,600,000 was financed by a first mortgage bank loan of $2,000,000 and a privately placed second mortgage loan of $500,000. The Company has reflected 50% of the purchase price, acquisition and closing costs, credits and capitalized interest as Land Under Development on the balance sheet, and 50% of the financing as Mortgages and Notes Payable (Refer to Notes D and I in the Financial Statements). The Company is contingently liable for the Joint Venturer's portion of the bank loan.

On June 9, 1988, the Joint Venture, Green Acres Inc. and Lake Worth Road Corporation, applied to the U.S. Department of Housing and Urban Development (H.U.D.) for a mortgage loan guarantee to cover acquisition and development of the property. On December 7, 1988, H.U.D. gave preliminary approval to the loan guarantee by Site Appraisal and Market Analysis (SAMA) letter in the amount of $8,490,810. A closing date with H.U.D. was set for July 6, 1989. On July 3, 1989, the Company was notified that H.U.D. had frozen all closings, and it was subsequently announced on August 11, 1989, that the Title X Program under which we requested the loan guarantee had been terminated.

Subsequent to the Title X Program being cancelled, the Joint Venture applied for an acquisition and development loan from a savings and loan institution. A tentative agreement had been reached for the financing; however, on November 30, 1989, the Joint Venture was notified that savings and loan institutions had been severely restricted from making any acquisition and development loans due to tighter regulatory controls.

During 1990 and 1991, the Company, along with its Joint Venturer, attempted to secure the necessary financing to develop the project. It is estimated the amount of financing required to develop Phase A of the Miramar project, which consists of 182 townhome units, is approximately $12,170,000, of which $4,210,000 is for site development and $7,960,000 is for construction costs. The total projected sales of Phase A is $15,260,000. This figure is based upon Phase A units totaling 182 units, 112 of which are 2-bedroom homes and are forecast to sell for $80,000 each. The remaining 70 units are 3-bedroom homes and are expected to sell for $90,000 each. The sellout value of the 2-bedroom homes is $8,960,000 and the corresponding amount for the 3-bedroom homes is $6,300,000. These figures are estimates based upon the available information and are considered to be reasonable. There is obviously no way to determine what actual sellout value would be until the units are actually sold.

The Resolution Trust Corporation is the Receiver and Successor to the lender of the first mortgage on the Miramar property. In October 1991 an action to foreclose the mortgage was served on the Joint Venturers, Green Acres Inc., a Florida corporation (a wholly-owned subsidiary of the Company) and Lake Worth Road Corporation, a Florida corporation, due to default under the loan documents. The Company has filed an Affirmative Defense.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

In March 1992 the Company was notified that the Resolution Trust Corporation (RTC) had filed a Request for Summary Judgment and that a hearing has been scheduled for April 2, 1992. Thereafter, upon request from the RTC, the Court will order a sale of the property after advertising the property, which normally takes place within 20 to 30 days after the request. Then the Company will have ten additional days within which to redeem the property.

The Trust for Public Land, a nonprofit organization, has submitted to the Joint Venturers an Option Agreement for the purchase of all or part of the property. The completion will depend upon the rezoning of the property, which rezoning has been approved by the City of Miramar, and RTC either staying or withdrawing their foreclosure proceedings, or allowing sufficient time before requesting that the Courts dispose of the property, should the RTC be successful in their request for a Summary Judgment.

In early March 1992, the Trust for Public Land notified the Company that the Cabinet of the State of Florida has adopted a preliminary plan approval. The adoption of such authorizes the Florida Division of State Lands to begin negotiations in an effort to try to put together a proposed contract for the Cabinet to approve. The approval by the Cabinet is rescheduled to be sought in late March or early April, 1992.

The adoption by the Cabinet does not authorize the acquisition of the land, but it is part of the acquisition process.

Although it is the Company's opinion that this transaction is viable, there are no assurances that it will be completed.

In December 1991 the Company sold all of the U.S. land sales receivables for $214,000. At the time of sale, the net balance of the receivables was $233,000. Of the $198,000 net proceeds after closing costs, the Company made a partial payment to the President and to the Chairman of the Board of $50,000 each against promissory notes which were secured by the land sales receivables. After the $100,000 payment, the principal balance of loans payable to Officers/Directors/Shareholders is $1,784.75 and $6,489.23, respectively. The balance of the proceeds will be used for working capital requirements. The remaining net proceeds from the sale of the land sales receivables is $98,750, and it is expected, together with cash receipts from rental income and the remaining land sales receivables, to be sufficient to provide cash for a minimum level of operations through the first half of the present fiscal year.

The Company leases office space, representing a portion of the corporate executive building owned by the Company, to various third parties. Rental income generated from these leases totaled approximately $34,000 in 1991; $31,000 in 1990; and $23,000 in 1989.

The Company plans to fund debt maturities, as disclosed in Note I to the financial statements, as follows:

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Fifty percent (50%) portion of mortgages, collateralized by land under development ($1,000,000 and $250,000) - The principal balances of the mortgages were due on February 12, 1990. In October 1991 an action to foreclose the mortgage was served on the Joint Venturers, Green Acres Inc., a Florida corporation (a wholly-owned subsidiary of the Company) and Lake Worth Road Corporation, a Florida corporation, due to default under the loan documents. The Company has filed an Affirmative Defense and at the date of this report the outcome is uncertain. (Please refer to Pages 11 and 12 of this report.)

The Trust for Public Land, a nonprofit organization, has submitted to the Joint Venturers an Option Agreement for the purchase of all or part of the property. The completion of this transaction will depend upon the rezoning of the property, which which rezoning has been approved by the City of Miramar, and RTC either staying or withdrawing their foreclosure proceedings. (Please refer to Pages 8 and 18 of this report.)

Although it is the Company's opinion that this transaction is viable, there are no assurances that it will be completed.

The second mortgage holder has not served notice of default and appears willing to extend based upon a successful resolution with the first mortgage holder.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

. Mortgage collateralized by the corporate executive building ($300,000) - The principal balance is due in August 1993. Corporate management intends to extend the terms, and begin a long-term amortization of the principal balance at that time.

. Demand notes in the amount of approximately $108,274, payable to Officers/Directors/Stockholders and their spouses, collateralized by land contracts receivable. Subsequent to year end, the sale of the U.S. land sales receivables provided funds to allow a partial payment of $100,000 against the notes. The balance of $8,274 will be repaid as excess cash becomes available. However, the Officers/Directors/Stockholders reserve their right to collect the amounts due as set forth by the notes and the loan agreements.

. Other ($37,000) - This note will be paid from the normal operating funds of the Company.

. As previously identified, future cash flow from operations, together with existing cash on hand, does not provide cash sufficient to operate throughout the fiscal year ending September 30, 1992. Consequently, the Company is dependent upon the success of arranging financing, not only to progress and develop the current real estate and television shows project, but to remain in operation.

As reflected in the consolidated statements of operations, the Company incurred net losses in 1991, 1990, and 1989 of $(643,175), $(381,113), and $(531,171), respectively. As reflected in Note I to the financial statements, the first mortgage on the land under development is in foreclosure. The Company's portion of the mortgages, which represents 50% of the total, is $1,250,000. Management's plans regarding these matters are as follows:

1. Land under development (Note D) - Extend, or restructure, along with the joint venturer, the existing debt; joint venture with a third party to develop the property; secure the necessary financing to develop the land; continue negotiations with the identified buyer for all or part of the land.

2. Investment in corporate joint venture (Note E) - Arrange for the necessary financing to develop the property and explore the possibility of selling the Company's interest.

3. Property leased to other (Note F) - Hold the property and collect rent from the positive cash flow which the buildings are presently generating or sell the property. Per the ground lease agreement, the Company will share 50% of the net proceeds from the sale of the property. Management believes the Company's share of the net proceeds from the sale of the property will exceed the cost of the property plus amounts advanced to the lessee.

4. Management is attempting to raise funds through a private placement of five-year convertible debentures for $7,000,000. If this transaction succeeds, the President and the Chairman of the Board have agreed to forgive $500,000 of the deferred compensation due to them pursuant to their Employment Agreements.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

In addition to the aforementioned plans regarding debt structure, financing, and the absence of necessary liquidity, the Company is attempting to generate income from the non-exclusive renting of the television shows for broadcast. This activity would be beneficial in that it does not require significant costs to generate the income. It is expected that an agreement could be reached which will generate over $1,000,000 in commercial television time which would be available to the Company. Since no transaction has been concluded, it is not possible to presently quantify how much cash would be made available from the commercial time. The amount of discount required to convert commercial time to cash is dependent upon several factors, such as the size of the block of time available, the population in the area of the broadcast, the power of the station, and the time available.

In addition to renting the television shows on a non-exclusive basis, the Company is attempting to use the inventory of television shows as collateral to arrange financing to further develop the television show operations.

An additional source of funding could be provided by negotiating an acquisition with another company which presently has operating cash flow. There have been no contracts of acquisition which would raise cash consummated as of the date of this report, nor is there any assurance that there will ever be an agreement which will provide the necessary cash to continue operations.

Item 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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CERTIFIED PUBLIC ACCOUNTANT
6401 S.W. 87TH AVENUE, SUITE 210
MIAMI, FLORIDA 33173

(305) 270-0880

Independent Auditor's Report

To the Board of Directors and Stockholders
Canaveral International Corp.
Miami, Florida

Our report dated December 23, 1991, covering the financial statements of Canaveral International Corp. and subsidiaries, filed as part of the annual report on Form 10-K for the year ended September 30, 1991 is hereby revised and extended to relate to such financial statements as hereby amended on Form 8, Amendment No. 1.

Vaughn M. Sarkissian, P.A.

March 23, 1992

CONSOLIDATED FINANCIAL STATEMENTS

CANAVERAL INTERNATIONAL
CORP.

SEPTEMBER 30, 1991, 1990 AND 1989

VAUGHN M. SARKISSIAN, P.A.
CERTIFIED PUBLIC ACCOUNTANT

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES

SEPTEMBER 30, 1991, 1990 and 1989

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VAUGHN M. SARKISSIAN, P.A.
CERTIFIED PUBLIC ACCOUNTANT
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MIAMI, FLORIDA 33173

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Independent Auditor's Report

To the Board of Directors and Stockholders
Canaveral International Corp.
Miami, Florida

We have audited the accompanying consolidated balance sheets of Canaveral International Corp. and subsidiaries as of September 30, 1991 and 1990, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended September 30, 1991. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Canaveral International Corp. and subsidiaries as of September 30, 1991 and 1990, and the results of operations and cash flows for each of the three years in the period ended September 30, 1991 in conformity with generally accepted accounting principles.

To the Board of Directors and Stockholders
Canaveral International Corp.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As reflected in the consolidated statements of operations, the Company incurred net losses of $643,175, $381,113 and $531,171 for the years ended September 30, 1991, 1990, and 1989, respectively. As more fully described in Notes I and L to the financial statements, the Company is in default on its mortgages payable, and the first mortgage holder on the land under development has commenced foreclosure proceedings. In addition, as more fully described in Note C, the Company must obtain sufficient working capital to commence syndication of the inventory of television shows. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are described in Note P. The Company's ability to continue as a going concern is dependent on its ability to develop working capital, meet creditors' and lenders' demands for payment, refinance or restructure existing debt, commence syndication of the inventory of television shows and attain future profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vaughn M. Barbisian, P.A.

December 23, 1991

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 1991 AND 1990

ASSETS	1991	1990
LAND CONTRACTS RECEIVABLE	$ 282,645	$ 447,625
Allowance for estimated loss on cancellation	(18,372)	(27,658)
Unamortized contract valuation discount	(910)	(3,934)
	263,363	416,033
INVENTORY OF TELEVISION SHOWS	4,000,000	-
LAND UNDER DEVELOPMENT	1,800,069	1,594,887
INVESTMENT IN AND ADVANCES TO CORPORATE JOINT VENTURE	371,032	343,719
CASH	13,271	77,237
ADVANCES AND OTHER RECEIVABLES	471,261	462,191
PROPERTY LEASED TO OTHERS	344,908	594,908
LAND INVENTORY	11,628	22,067
DUE FROM OFFICER	210,811	190,898
PROPERTY AND EQUIPMENT	186,932	209,003
OTHER ASSETS	13,769	18,001
Total assets	$7,687,044	$3,928,944
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Mortgages and notes payable	$1,587,000	$1,588,000
Due to officers	1,219,364	1,055,448
Accounts payable and accrued liabilities	467,136	228,880
Total liabilities	3,273,500	2,872,328
CONTINGENCIES AND OTHER MATTERS (See notes for details)	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock; 100,000 shares of $50 par value authorized; 20,000 shares issued in 1991	1,000,000	-
Common stock; 6,000,000 shares of $.50 par value authorized; 3,395,786 shares issued	1,697,893	1,697,893
Capital in excess of par	9,656,821	6,656,821
Accumulated deficit	(7,263,158)	(6,619,983)
Common stock in treasury; 263,581 shares for 1991 and 263,863 shares for 1990, at cost	(678,012)	(678,115)
Total stockholders' equity	4,413,544	1,056,616
Total liabilities and stockholders' equity	$7,687,044	$3,928,944

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

	1991	1990	1989
INCOME:			
Retail real estate sales	$ 122,586	$ 442,000	$ 144,319
Interest:			
Land sales contracts	38,676	55,287	71,402
Officer's loans	20,655	18,329	17,955
Other	188	828	23,024
Rental	33,555	31,401	47,866
Other	17,662	36,718	2,006
	233,322	584,561	306,572
COSTS AND EXPENSES:			
Cost of retail real estate sales	19,373	191,942	26,381
Selling, general and administrative expenses	482,902	654,891	713,594
Provision for loss on property leased to others	250,000	-	-
Interest expense, net of capitalized interest of $161,521 for 1991, $163,516 for 1990 and $152,582 for 1989	124,222	118,843	97,768
	876,497	965,676	837,743
NET LOSS	$(643,175)	$(381,113)	$(531,171)
NET LOSS PER COMMON SHARE	$(.21)	$(.12)	$(.17)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

	PREFERRED STOCK	COMMON STOCK	CAPITAL IN EXCESS OF PAR	ACCUMULATED DEFICIT	TREASURY STOCK SHARES	TREASURY STOCK AMOUNT	TOTAL
BALANCE SEPTEMBER 30, 1988	$ -	$1,697,893	$6,656,821	$(5,707,699)	263,849	$(678,108)	$1,968,907
1989:							
Acquisition of treasury stock, at cost	-	-	-	-	12	(6)	(6)
Net loss	-	-	-	(531,171)	-	-	(531,171)
BALANCE, SEPTEMBER 30, 1989	-	1,697,893	6,656,821	(6,238,870)	263,861	(678,114)	1,437,730
1990:							
Acquisition of treasury stock, at cost	-	-	-	-	2	(1)	(1)
Net loss	-	-	-	(381,113)	-	-	(381,113)
BALANCE, SEPTEMBER 30, 1990	-	1,697,893	6,656,821	(6,619,983)	263,863	(678,115)	1,056,616
1991:							
Issuance of preferred stock	1,000,000	-	3,000,000	-	-	-	4,000,000
Issuance of treasury stock, net	-	-	-	-	(282)	103	103
Net loss	-	-	-	(641,175)	-	-	(641,175)
BALANCE, SEPTEMBER 30, 1991	$1,000,000	$1,697,893	$9,656,821	$(7,261,158)	263,581	$(678,012)	$4,413,544

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 1991, 1990 AND 1989

	1991	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$(643,175)	$(381,113)	$(531,171)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Depreciation	15,193	23,406	25,937
Provision for loss on property leased to others	250,000	-	-
Changes in assets and liabilities:			
Land contract receivable, net	152,670	142,964	191,305
Land inventory	10,439	184,567	18,298
Other assets	4,232	13,418	27,933
Accounts payable, accrued liabilities, and due to officers	402,172	261,660	173,143
Deferred revenue	-	-	(26,143)
Net cash provided (used) by operating activities	191,531	244,902	(120,698)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in land under development	(205,182)	(135,622)	(157,870)
Investment in and advances to corporate joint venture	(16,505)	(91,596)	(101,338)
Decrease (increase) in advances and other receivables	(19,878)	29,065	37,778
Increase in due from officer	(19,913)	(18,329)	12,921
Proceeds from sale of (expenditures for) property and equipment	6,878	-	(960)
Net cash used by investing activities	(254,600)	(216,482)	(209,469)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of notes payable	(1,000)	(84,444)	(99,581)
Proceeds from notes payable	-	100,000	174,999
Sale of (payment for) treasury stock	103	(1)	(6)
Net cash provided (used) by financing activities	(897)	15,555	75,412
NET INCREASE (DECREASE) IN CASH	(63,966)	43,975	(254,755)
CASH, BEGINNING OF YEAR	77,237	33,262	288,017
CASH, END OF YEAR	$ 13,271	$ 77,237	$ 33,262
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for interest, net of amount capitalized	$ 24,638	$ 56,594	$ 51,727

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:
In 1991, the Company acquired a library of television shows, valued at $4,000,000, in exchange for 20,000 shares of $50 par value preferred stock.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 1991, 1990 AND 1989

A. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

The Company, through its wholly-owned subsidiaries and joint ventures (See Notes D, E and F) engages in real estate development and sales. The Company also sells improved and unimproved land, on a retail basis, in Florida. Sales of lots are typically made to individuals on an installment contract basis. In 1991, the Company entered the Country Gospel Music Television Industry by acquiring a library of 230 Country Gospel Music Television Shows (See Note C).

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

All references herein to "The Company" include Canaveral International Corp. and subsidiaries.

Recognition of Retail Real Estate Sales

The Company uses the accrual method of accounting for developments which (a) are planned for residential or recreational use, and in which development work has progressed beyond preliminary stages, and (b) have adequate collection experience to indicate that more than 90% of land sales contracts in a force six months after recording will be collected in full.

Under the accrual method, retail land sales contracts are recorded as sales at the time customers' total payments (principal and interest) amount to at least 10% of the contract price and any refund period has expired.

Recorded contracts which cancel within the same reporting period and contracts estimated to cancel in subsequent periods are included in gross real estate sales and reported separately in the statement of operations as actual and estimated uncollectible sales. Estimated forfeitures from cancellations are treated as a reduction of actual and estimated uncollectible sales. At the time of cancellation of a recorded land sale contract, the unpaid balance is charged to the allowance for estimated loss on cancellation of contracts.

The Company considers a contract delinquent, and fully provides for cancellation against such contract, when regular payments are unpaid for the following delinquency periods: (1) 90 days and the percent of the contract price paid is less than 25%, (2) 120 days and the percent of contract price paid is less than 50%, or (3) 150 days and the percent of contract price paid is 50% and over. At the Company's option, where extenuating circumstances exist, such scheduled delinquency periods may be extended.

Interest income at the stated rate on land contracts is recorded on a monthly basis. The recorded sale is reduced by an amount (contract valuation discount) which, when added to interest on the contract at the stated rate, results in an effective annual yield on contracts receivable of approximately the current consumer lending rate (See Note B). During the three years ended September 30, 1991 stated rates have approximated current consumer lending rates; accordingly, no contact valuation discounts have been recorded.

Costs and expenses relating to recorded sales, consisting of the average cost of unimproved land (including capitalized interest and property taxes) and marketing costs, are charged against income. General and administrative expenses are charged to operations as incurred.

Inventory of Television Shows

The inventory of television shows (Shows) has been recorded at its fair market value at the date of acquisition, less estimated marketing costs and a profit allowance for the selling effort of the Company (See Note C). As of September 30, 1991, the Company has not commenced the syndication of the Shows. Upon the start-up of the television operations, the Company will match the cost of the Shows against the revenues generated.

Land Under Development

Land under development consists of the Company's share of costs for the acquisition by the joint venture described in Note D, and is not considered to be in excess of net realizable value.

Investment in Corporate Joint Venture

The Company's investment in corporate joint venture is recorded using the equity method of accounting. The net losses of the joint venture have been negligible since its inception, as all significant costs, such as interest and taxes, are being capitalized. Accordingly, equity in loss of joint venture is not reflected in the statement of operations.

Property Leased to Others

Property leased to others, which consists of one contiguous parcel of land, is stated at the estimated net realizable value.

Land Inventory

Land inventory is stated at cost, which is not considered to be excess of net realizable value. Cost includes the cost of unimproved land, improvements, interest, property taxes and other direct costs incurred during the improvement period.

Property and Equipment

Property and equipment are recorded at cost and depreciated, principally using the straight-line method, over the estimated useful lives of the assets.

Deferred Revenue

In June 1984, the Company received $400,000 in prepaid rent that was recognized, for financial reporting purposes, over a five-year period (See Note F). The Company recognized rental income on the ground lease of $25,000 for the year ended September 30, 1989.

Income Taxes

Recognition is normally given in consolidated financial statements to the income tax effect of timing differences related to reporting transactions for financial and tax purposes. Such timing differences also result from reporting income from real estate sales on the installment method for tax purposes in prior years, whereas such income is recorded on the accrual method for financial reporting purposes, and from the use of different depreciation methods.

Net Loss Per Common Share

For 1991, 1990 and 1989, loss per common share was calculated using the weighted average number of shares outstanding during the years. No consideration was given to the exercise of stock options - since the result would be anti-dilutive or less than 3%. The weighted average shares outstanding were 3,132,114 for 1991, 3,131,923 for 1990 and 3,131,935 for 1989.

B. LAND CONTRACTS RECEIVABLE

The weighted average interest rates applicable to the land contracts receivable were 9.5% for 1991 and 1990 and 9.3% for 1989, and the stated contract rates ranged from 6% to 11%.

All land contracts entered into for the years ended September 30, 1991, 1990 and 1989 have been recorded as sales since customers total payments (principal and interest) amounted to at least 10% of the contract price.

In December 1991, the Company sold substantially all of its land contracts receivable, with a net principal balance of approximately $233,000, for approximately $214,000. From the net proceeds ($198,000 after closing costs), the Company made partial payments of $50,000 on each of the two demand notes payable which had been secured by the land contracts receivable (See Note J). The remaining land contracts receivable, of approximately $5,000, are scheduled to be collected in full by September 1993.

C. INVENTORY OF TELEVISION SHOWS

In August 1991, the Company acquired a library of 230 Country Gospel Music Television Shows (Shows) in exchange for 20,000 shares of $50 par value Series A convertible preferred stock (See Note L). The Company recorded the Shows at their fair market value of $6,000,000, determined by an independent appraisal at the date of acquisition, less estimated marketing costs and a reasonable profit allowance for the selling effort of the Company. The Company plans to syndicate the Shows upon obtaining sufficient working capital, which is estimated to be between $100,000 and $200,000. The commencement of revenues from the Shows is dependent upon the Company's ability to secure the necessary financing to syndicate the Shows, and to successfully complete the marketing plan.

D. LAND UNDER DEVELOPMENT

In August 1988, the Company, together with a 50% joint venturer, purchased approximately 53 acres of land in Miramar, Florida, for the purpose of developing 436 housing units. The purchase price of $2,600,000 was financed by a bank mortgage of $2,000,000 and a second mortgage of $500,000. The Company has reflected 50% of the purchase price, acquisition and closing costs, credits, and capitalized interest on the balance sheet as land under development, and 50% of the financing as mortgages and notes payable (See Note I). The mortgages are in default, and in October, 1991, the first mortgage holder commenced foreclosure proceedings (See Notes I and L). As of September 30, 1991, land under development includes capitalized interest and taxes of $498,887 and $73,704, respectively. The Company is contingently liable for the joint venturer's portion of the bank loan.

On December 4, 1991, the Company and its joint venturer entered into an option agreement (Agreement) with The Trust for Public Land (Trust) for the sale of the land described above. The Trust is a nonprofit corporation, whose primary purpose is the acquisition and preservation of open space for the public benefit. Pursuant to the Agreement, the net sales price for parcel 1, consisting of 30 acres, shall be $1,800,000, and the net sales price for parcel 2, consisting of approximately 23 acres, shall be $1,170,000. Based on correspondence received from the Trust, the primary concern in the Agreement is parcel 1, and it is unlikely funding will be available to the Trust for the acquisition of parcel 2. The agreement expires on March 31, 1992.

The development of the land is dependent upon the sale of parcel 1 to the Trust and negotiating a settlement with the first mortgage holder (See Notes I and L), obtaining approval for rezoning from the City of Miramar and securing the necessary financing to develop the acreage in parcel 2.

E. INVESTMENT IN AND ADVANCES TO CORPORATE JOINT VENTURE

In October 1987, the Company entered into an agreement with three other parties to organize a corporation (Ventura) for the purpose of acquiring and developing property and constructing approximately 600 mobile home sites in St. Lucie County, Florida. The Company's investment in and advances to Ventura, as of September 30, 1991, consists of the following: 1) $25,000 original capital contribution for 25% of the outstanding stock; 2) $20,000 for acquisition of 8 1/3% of the outstanding stock from one of the joint venturers; and 3) $326,032 in advances. As of September 30, 1991, the Company owns 33 1/3% of the outstanding stock of Ventura.

Ventura purchased the property at a total cost of approximately $949,000, of which $243,000 was paid at closing. The balance of approximately $706,000 was financed by a purchase money note and mortgage, which, among other stipulations, is payable over six years beginning in October 1988, at approximately $117,600 per year plus accrued interest on the unpaid balance. In October, 1988, Ventura paid the first installment, of approximately $192,000, which includes interest. In November 1989, Ventura paid the accrued interest of approximately $69,000 and the due date of the second installment was extended to April 1990, at which time the principal of $117,600 and interest accrued through April 30, 1990 was paid. In 1990, two-thirds of the interest due on the third installment was paid by the Company and one of the joint venturers. The non-paying joint venturer issued a promissory note for its portion of the interest. The 1990 principal and 1991 principal and interest are presently in default. The mortgage holders have offered Ventura an extension until April 1992, provided the real estate taxes are paid. Ventura intends to pay the real estate taxes.

As of the date of this report, the management of Ventura is attempting to secure financing to develop the project and the Company is considering the sale of its interest in Ventura.

F. PROPERTY LEASED TO OTHERS AND ADVANCES

In June 1984, the Company entered into a ground lease, which includes a profit-sharing agreement. The lessee is leasing the property for a 75-year period and has constructed two offices buildings on the property. As consideration for the lease, the lessee will pay the Company 50% of the yearly cash flow from the two office buildings, including 50% of the net proceeds from the sale of the buildings. At its option, the Company may reimburse the lessee 50% of any negative cash flow. Should the lessee be required to advance money to the project in accordance with the ground lease in excess of the Company's contribution, then the lessee will be entitled to receive interest on such funds from the cash flow of the buildings.

In April 1985, the lessee's $2,800,000 construction loan was converted to a permanent loan of $3,500,000. The Company is a guarantor for a maximum amount of $800,000. The loan is collateralized by the land, buildings and improvements.

As of September 30, 1991, the Company has advanced approximately $443,000 to the lessee as follows: $190,000 towards negative cash flow (funded in prior years) and $253,000 net advances primarily related to the permanent financing discussed above. These advances, which are included in advances and other receivables, are to be repaid from future cash flow, including net proceeds from refinancing or sale. As of September 30, 1991, the buildings are 94% leased and are generating positive cash flow.

A provision for an estimated loss, in the amount of $250,000, has been recorded relating to the excess of the cost of the property leased to other plus the advances to the lessee (total of $1,037,938) over the estimated proceeds from the lessee, including 50% of the net proceeds from the sale of the buildings.

G. TRANSACTIONS WITH RELATED PARTIES

Officers, Directors and Stockholders

Due from officer as of September 30, 1991 and 1990, includes loans and advances to an Officer/Director/Stockholder totaling $83,304 and interest of $127,507 and $107,594, respectively, at the prime rate. These advances had been made to the Officer/Director/Stockholder because his ability to borrow had been restricted to the extent that he had initially pledged shares of his common stock as collateral for loans made for the benefit of the Company. The Officer/Director/Stockholder has agreed that the loans and advances due will be offset to the extent of any amounts due under an employment agreement (See below).

The Company has entered into employment agreements with two Officers/Directors/Stockholders whereby each Officer/Director/Stockholder receives an annual salary of $91,500, of which $24,000 will be deferred until after retirement (See Notes J and P.). The agreement, as amended, will be in effect until each Officer/Director/Stockholder reaches the age 82, which, as of September 30, 1991, is in six and eight years, respectively. In addition, the Company approved bonuses of $25,000 to each of the two Officers/Directors/Stockholders in each of the two years ended September 30, 1990. In the event of change in control of the Company, the deferred compensation, unpaid bonuses and interest will be payable. Interest expense related to amounts accrued to the two Officers/ Directors/ Stockholders for deferred compensation and bonuses and the notes payable (See Note J) totaled $83,357 for 1991, $75,778 for 1990 and $54,197 for 1989.

In December 1985, the two previously mentioned Officers/ Directors/Stockholders and their spouses entered into agreements with the Company whereby the Company was named the sole beneficiary of the life insurance proceeds in the amount of $500,000 per Officer/Director/Stockholder. The Company agreed to purchase, with these proceeds, stock of the Company owned by the insured (approximately 400,000 shares each) with their respective spouses, upon their death. In November, 1990, the two Officers/Directors/Stockholders and their spouses entered into an agreement with the Company whereby the December, 1985 agreements were rescinded. The Company's portion of the life insurance premium that it paid for the two Officers/Directors/ Stockholders was approximately $23,000 for 1990 and $20,000 for 1989.

Other

In July 1975, the wife of one of the officers was appointed Real Estate Broker for the Company's real estate operations at a fee of $14,300 per year. Florida law requires that certain real estate operations be supervised by a registered Real Estate Broker.

N. PROPERTY AND EQUIPMENT

	Estimated Useful Lives (Years)	September 30, 1991	1990
Building and improvements	5-25	$297,088	$297,088
Land	-	112,500	112,500
Automobiles	3-5	10,631	57,870
Office equipment	5	5,229	13,921
		425,448	481,379
Less accumulated depreciation		238,516	272,376
		$186,932	$209,003

I. MORTGAGES AND NOTES PAYABLE

	September 30, 1991	1990
50% portion of mortgages on the land under development (See Note C); guaranteed by the assets of the Company; interest at 12.25% payable monthly:		
First mortgage (*)	$1,000,000	$1,000,000
Second mortgage (*)	250,000	250,000
Mortgage collateralized by the corporate executive building; interest at 2% over prime, with a minimum of 12%, payable monthly; principal due in August 1993(**)	300,000	300,000
Other	37,000	38,000
	$1,587,000	$1,588,000

(*) The mortgages were not paid on the due date in February 1990. In October 1991, the first mortgage holder commenced foreclosure proceedings against the Company and its joint venturer (See Note L). The holder of the second mortgage has not made demand upon the Company and the joint venturer for payment. Accrued interest on the mortgages of approximately $258,000 is included in accounts payable and accrued liabilities as of September 30, 1991 (See Note K).

(**) As of September 30, 1991, the Company owed $18,460 in unpaid interest ($22,960 as of the date of this report).

Maturities of mortgages and notes payable are $1,395,274 and $300,000 for the years ending September 30, 1992 and 1993, respectively.

J. DUE TO OFFICERS

The balance due to the two previously mentioned officers/directors/stockholders (See Note G) consists of the following:

	September 30, 1991	1990
Deferred compensation (See Note P)	$ 604,400	$ 562,000
Interest	310,765	229,900
Salaries and bonuses	195,925	130,048
Demand notes payable (*)	108,274	133,500
	$1,219,364	$1,055,448

(*) Collateralized by land contracts receivable totaling approximately $180,000 (See Note B); interest at 13% and 13.2% payable monthly.

K. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable	$ 90,640	$ 58,268
Other accrued liabilities:		
Interest (See Note I)	282,845	102,605
Property taxes	88,903	60,586
Other	4,748	7,421
	$ 467,136	$ 228,880

L. CONTINGENCIES AND OTHER MATTERS

Contingencies

The Company is a co-defendant, with an unrelated escrow agent, in a suit filed in United States District Court by a California limited partnership. The plaintiff claims breach of contract arising out of a 1976 escrow agreement in settlement of debentures issued by the Company, and seeks specific performance, constructive and resulting trusts and declaratory relief. Damages sought total $599,400, plus accrued interest from 1976. The Company is vigorously defending this action. In the opinion of management, and outside counsel, the Company has meritorious defenses, including the statute of limitations and laches, and the final resolution of this action will not have a material adverse effect on the Company's financial position. In November 1991, the Company received an offer to settle from the plaintiff. The proposed settlement would require no payment by the Company.

In October 1991, the Company was served notice that the Resolution Trust Corporation, as receiver and successor to the first mortgage holder on the land under development, has brought suit in Broward County Circuit Court for foreclosure on the Miramar property (See Notes D and I). The Company has entered an affirmative defense, however, as of the date of this report it is unable to determine the outcome.

The Company is also involved in litigation incidental to its normal operations. In the opinion of management and outside counsel, the outcome of this litigation will not have a material effect, if any, on the Company's financial position

The Company is storing its inventory of television shows (Shows) in an air conditioned storage facility with alarms, locks and 24 hour security. Due to the extensive security at the storage facility, the Company is not presently maintaining insurance to replace the Shows in the event of loss.

Other Matters

The stockholders, at their annual meeting in July 1987, approved amending the Certificate of Incorporation whereby directors of the Company shall not be held liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for certain transactions from which he derives improper personal benefit.

The stockholders also approved amending the Company's by-laws whereby the Company will indemnify directors, officers or employees of the Company against suits or proceedings, whether civil, criminal, administrative, or investigative. The Company is under no obligation to purchase and maintain insurance on behalf of any person who is or was a director, officer or employee of the Company.

The Company has 100,000 shares of $50 par preferred stock authorized by the shareholders. During 1991, 30,000 shares of 1991 Series A 0% convertible preferred stock were created by a Board of Directors resolution, of which 20,000 shares were subsequently issued (See Note C). The newly created stock has no dividend but is entitled to share in any dividends declared payable to the common stockholders at 115% of the common stock dividend. The stock is convertible into $.50 par common stock two years after issuance at the rate of 10 shares of common for each share of preferred. In the event of liquidation, the preferred stockholders have a preference to the common stockholders not to exceed $50 per share prior to any distributions to the common stockholders. The preferred stock is redeemable only by action of the Board of Directors at the rate of $50 per share. There is no requirement to retire the preferred shares. The Series A preferred stock is non-voting; however, certain matters that could affect the preferred stockholders' rights and or preference, require the consent of the preferred stockholders. The issued preferred stock is non-voting; however, certain matters that could affect the preferred stock (20,000 shares) is subject to a voting trust agreement that addresses the consent required by preferred stockholders whenever such consent may be required.

The Company has 2,000,000 shares of $.50 par value authorized but unissued Class A common stock.

At their annual meeting, held in December 1990, the shareholders approved an increase in common shares to 25,000,000 shares, and amended the Class A stock to be equal in all respects to the common stock. The Company has not yet filed an application for the increase with the Secretary of State.

M. STOCK OPTIONS

Effective September 1982, the Company approved an Incentive Stock Option Plan, covering 500,000 shares of Common Stock, for key employees. The term of the option may not exceed ten years and the exercise price will be determined on the date of grant, but will not be less than 100% of the fair market value of the common stock of the Company on the date of the grant. Any optionee owning 10% or more of the stock of the Company at the time the option is granted, shall have an exercise price of such option not less than 110% of the fair market value of the Company stock.

In August 1986, the two previously mentioned Officers/Directors/ Stockholders were granted a qualified option of 100,000 shares of common stock at $.6875 per share, which was 110% of the fair market value of $.625, pursuant to the Incentive Stock Option Plan of 1982. No options have been exercised through September 30, 1991.

In addition, in August 1986, the Board of Directors proposed a Non-employee Directors Stock Option Plan. The total number of shares of common stock available for options granted under the Plan may not exceed 100,000 subject to certain adjustment provisions. The options are non-qualified, and shall have an exercise price of not less than 100% of the fair market value of the Company's stock on the date of grant. In August 1986, five-year options for an aggregate of 37,500 shares were granted under the Plan to three non-employee directors, subject to the approval of the Plan by the stockholders. The fair market value at the date of grant was $.625 per share. The stockholders, at their annual meeting in July 1987 approved the adoption of the Non-employee Director Stock Option Plan. No options have been exercised through September 30, 1991.

N. INCOME TAXES

During 1991, 1990 and 1989, the Company experienced net operating losses for financial reporting and income tax purposes. Accordingly, no provision for income taxes have been recorded for these years.

At September 30, 1991, the Company had net operating losses, for financial reporting purposes, of approximately $3,500,000 available to be carried forward to future years. For Federal income tax purposes, net operating losses of approximately $2,400,000 were available to be carried forward to future years. These carryforwards expire from 1993 to 2006.

The Company has elected not to adopt the provisions of Statement of Financial Accounting Standards (SFAS) No. 96, Accounting for Income Taxes, in 1991. SFAS No. 96 requires a change from the deferred method to the liability method of accounting for income taxes. It is estimated that the adoption of SFAS No. 96 will not have a material effect on the Company's financial position. The revised effective date for implementing this new standard was recently extended to fiscal years beginning after December 15, 1992.

O. FOREIGN OPERATIONS

The statements of operations includes losses from a foreign subsidiary of $153,419, $51,862 and $9,040 for 1991, 1990 and 1989, respectively. Total revenues from the foreign subsidiary were approximately $10,000 for 1991, $5,000 for 1990 and $2,000 for 1989. Net assets related to the foreign subsidiary are not material.

P. OPERATING LOSSES AND REALIZATION OF ASSETS

As reflected in the accompanying consolidated statements of operations, the Company incurred net losses of $643,175, $381,113 and $531,171 for the years ended September 30, 1991, 1990 and 1989, respectively. As reflected in Note I, the mortgages payable are in default and the first mortgage holder on the land under development has commenced foreclosure proceedings. Management's plans regarding these matters are as follows:

1. Land under development (Note D) - Extend, or restructure, along with the joint venturer, the existing debt; joint venture with a third party to develop the property; secure the necessary financing to develop the land; explore the possibility of selling the land.

2. Investment in corporate joint venture (Note E) - Arrange for the necessary financing to develop the property and explore the possibility of selling the Company's interest.

3. Property leased to others (Note F) - Hold the property and collect rent from the positive cash flow which the buildings are presently generating or sell the property. Per the ground lease agreement, the Company will share 50% of the net proceeds from the sale of the property. Management believes the Company's share of the net proceeds from the sale of the property will exceed the carrying amount of the property plus amounts advanced to the lessee.

4. Management is attempting to raise funds through a private placement of five year convertible debentures in the amount of $7,000,000. If this transaction succeeds, the two previously mentioned officers have agreed to forgive $500,000 of the deferred compensation due to them pursuant to their employment agreements (See Notes G and J). There is no guarantee the placement will be successful.

Although management believes the existing debt will be extended or restructured, and additional financing will be obtained and future operations will be profitable, it is not possible to determine the outcome of these matters at this time.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of the directors and executive officers of the Company as of the date of this report:

Name	Age	Position	First Served**
Henry Dubbin*.....	76	Director, Chairman of the Board and Vice President	1960
Daniel S. Dubbin*.....	74	Director and President	1960
Elba M. Gonzalez	42	Secretary	1983
Stuart G. Newman*.....	69	Director	1981
Seymour Friend	72	Director	1975
Dr. Stanley Wasman	69	Director	1981

* Member of Executive Committee

** All Directors' and Officers' terms expire at the next Annual Meeting.

Henry Dubbin has been engaged, since the inception of the Company in 1960, in the management and operations of the Company.

Daniel S. Dubbin, brother of Henry Dubbin, has been engaged in the management and operations of the Company since its inception in 1960.

Elba M. Gonzalez has been employed by the Company in various positions since 1971. Mrs. Gonzalez is in charge of the Customer Service Department. During her years with the Company, she has been responsible for all land sales, Accounts Receivable collections, preparation and issuance of all documents concerning land sales, and has served as Corporate Secretary since 1982.

Seymour Friend has been a real estate investor for more than the last five years. During the past five years, Mr. Friend has served on the Board of Directors of Medicor, a holding company for pharmaceuticals and electronics firms; on the Board of Directors of Viragen, a drug manufacturing company engaged in research and development and a manufacturer of Interferon and related drugs; and as Advisor in charge of acquisitions and real estate to Techdyne Company.

Stuart G. Newman has been President of a public relations firm, Stuart Newman Associates, Miami, Florida, for more than five years. Mr. Newman is also a founder and Past President of the Better Business Bureau of Greater Miami.

Dr. Stanley Wasman, D.V., is a real estate investor retired from private practice. During the past five years, Dr. Wasman has been a member of the Advisory Board of Capital Bank, Miami, Florida; and has served with the Emergency Animal Clinic in Miami, Florida.

An Executive Committee, composed of the Chairman of the Board, President, and Mr. Newman, Director of the Company, has been appointed by the Board of Directors with the power to exercise all powers of the Board of Directors between meetings of the Board, except the power to fill vacancies in their own membership, and to alter or amend the By-Laws.

PART IV

			Page No.
Item 14.	EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K		
(a) 1.	FINANCIAL STATEMENTS - Included in Part II of this report:	Item 8	26
	Report of Independent Certified Public Accountants.	"	26
	Consolidated Statement of Operations for the three years ended September 30, 1991, 1990, and 1989.	"	26
	Consolidated Balance Sheet at September 30, 1991, and 1990.	"	26
	Consolidated Statement of Stockholders' Equity for the three years ended September 30, 1991, 1990, and 1989.	"	26
	Consolidated Statement of Cash Flow for the three years ended September 30, 1991, 1990, and 1989.	"	26
	Notes to Consolidated Financial Statements.	"	26
2.	FINANCIAL STATEMENT SCHEDULES - Included in Part IV of this report:		
	Report on Financial Statement Schedules of Independent Certified Public Accountants for the three years ended September 30, 1991, 1990, and 1989.		38
	Schedule II - Amounts Receivable from Officers/Directors		39
	Schedule VIII-Valuation and Qualifying Accounts and Reserves		40
	Schedule IX - Short-Term Borrowings		41
	Schedule X - Supplementary Income Statement Information		42
	Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.		
3.	Exhibit No.		
	3.1 Certificate of Incorporation (dated March 13, 1960) - refer to Exhibit 3A of Registration Statement No. 2-16906.		
	3.2 Certificate of Amendment of Certificate of Incorporation (dated September 1, 1960) - refer to Material Amendment No. 1 of Registration Statement No. 2-16906.		
	3.3 Certificate of Amendment of Certificate of Incorporation (dated February 23, 1961) - refer to Material Amendment No. 4 of Registration Statement No. 2-16906.		
	3.4 Certificate of Amendment of Certificate of Incorporation (dated June 25, 1961) - refer to Registration Statement No. 2-36673.		
	3.5 Certificate of Amendment of Certificate of Incorporation (dated November 5, 1970) - refer to Amendment No. 2 of Registration Statement No. 2-36673.		

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (Continued)

Exhibit No.		Page No.
3.6	Certificate of Amendment of Certificate of Incorporation (dated March 14, 1989) - refer to 1989 Form 10-K.	
3.7	Certificate of Amendment of Certificate of Incorporation (dated April 17, 1989) - refer to 1989 Form 10-K.	
3.8	Corporate By-Laws - refer to Exhibit 3B of Registration Statement No. 2-16906.	
3.9	Amendments to By-Laws passed by the Board of Directors at meetings dated July 7, 1972, and April 19, 1973, respectively - refer to Amendment No. 1 of Registration Statement No. 2-41994.	
3.10	Amendments to By-Laws passed at Directors meeting of June 28, 1974 - refer to Post Effective Amendment No. 1 to Registration Statement No. 2-41994.	
10.1	1982 Incentive Stock Option Plan. Refer to 1989 Form 10-K.	
10.2	1986 Non-Employee Directors Stock Option Plan. Refer to 1989 Form 10-K.	
11.	Schedule showing computations of average number of Common shares outstanding, as used in the calculations of per share earnings for each of the three years ended September 1991, 1990, and 1989.	43
13.1	1989 Annual Report to Stockholders (filed and mailed).	
22.	Subsidiaries of the Registrant.	44

(b) REPORTS ON FORM 8-K

A Form 8-K was filed on September 20, 1990, and September 21, 1990.
A Form 8-K was filed on September 10, 1991, and is incorporated herein by attached copy. 46

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (Continued)

(a) 2. FINANCIAL STATEMENT SCHEDULES

Report on Financial Statement Schedules of Independent Certified Public Accountants.

SCHEDULE VIII

CANAVERAL INTERNATIONAL CORP. AND SUBSIDIARIES
VALUATION AND QUALIYING ACCOUNTS AND RESERVES
YEARS ENDED SEPTEMBER 30, 1991, 1990, and 1989

COLUMN A	COLUMN B	COLUMN C ADDITIONS		COLUMN D	COLUMN E	
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ACTUAL AND ESTIMATED UNCOLLECTIBLE SALES	CHARGED TO GENERAL AND ADMINISTRATIVE EXPENSES	OTHER	DEDUCTIONS- CONTRACT CANCELLATIONS, FORECLOSURES AND OTHER	BALANCE AT END OF PERIOD
YEAR ENDED SEPTEMBER 30, 1991:						
ALLOWANCE FOR ESTIMATED LOSS ON CANCELLATIONS	$ 27,658	$ 0	$ 0	$ 0	$ 9,286	$ 18,372
UNAMORTIZED CONTRACT VALUATION DISCOUNT	3,934				3,024(a)	910
	$ 31,592	$ 0	$ 0	$ 0	$ 12,310	$ 19,282
YEAR ENDED SEPTEMBER 30, 1990:						
ALLOWANCE FOR ESTIMATED LOSS ON CANCELLATIONS	$ 42,106	$ 0	$ 0	$ 0	$ 14,448	$ 27,658
UNAMORTIZED CONTRACT VALUATION DISCOUNT	12,874	0	0	0	8,940(a)	3,934
	$ 54,980	$ 0	$ 0	$	$ 23,388	$ 31,592
YEAR ENDED SEPTEMBER 30, 1989:						
ALLOWANCE FOR ESTIMATED LOSS ON CANCELLATIONS	$ 50,100	$ 0	$ 0	$ 0	$ 7,994	$ 42,106
UNAMORTIZED CONTRACT VALUATION DISCOUNT	35,888	0	0	0	23,014(a)	12,874
	$ 85,988	$ 0	$ 0	$ 0	$ 31,008	$ 54,980

(a) CREDITED TO INTEREST INCOME. In prior years, the interest rate on the land sales receivables was discounted below the average consumer lending interest rate at the time of the sale. To provide for the discounted interest rate, reduction was made to the original contract profit, whereby over the life of the receivable, the difference betwee the contract interest rate and the market interest rate at the time of sale would be recognized as additional interest income. This treatment is in accordance with the accounting policy for recognition of retail real estate sales. Since sales in the years from 1989 to 1991 were made with interest at or above the average consumer lendin rate, there has been no need to provide for additional contract valuation discount allowances.

EXHIBIT "f 3"

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

DATE OF REPORT (Date of earliest event reported) - March 30, 1992

CANAVERAL INTERNATIONAL CORP.
(Exact name of registrant as specified in its charter)

DELAWARE	1-4486	59-0933330
(State or other jurisdiction of incorporation or organization)	Commission File Number	(I.R.S. Employer Identification Number)

7100 BISCAYNE BOULEVARD, MIAMI, FLORIDA	33138
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (305) 759-2441

ITEM 5. OTHER EVENTS

On February 13, 1992, D. S. Dubbin and Gladys Dubbin, his wife (The D. Dubbins), entered into an Agreement with an investor, Barry Pomerantz of New York City, wherein Mr. Pomerantz agreed to purchase from them 300,000 shares of Canaveral International Corp. (CIC), the Registrant, Common Stock at $.15 per share. In addition, the Dubbins agreed to assign to Mr. Pomerantz part of the receivables due to them from CIC in the amount of $105,000, which Mr. Pomerantz agreed to purchase. The total sale transaction amounted to $150,000. The stock was sold as an investment and not with the intent of distribution. Final payment on the transaction was made to the D. Dubbins on March 27, 1992.

On February 13, 1992, Henry Dubbin and Dorothy Dubbin, his wife (The H. Dubbins) entered into an Agreement with an investor, William Craig of Fort Lauderdale, Florida, wherein Mr. Craig agreed to purchase from them 300,000 shares of CIC Common Stock at $.50 per share. The total transaction amounted to $150,000.00. The stock was sold as an investment and not with the intent of distribution. This transaction has not been completed as of this date.

On February 13, 1992, an Agreement was entered into between CIC, William Craig, Barry Pomerantz, D. S. Dubbin, and Henry Dubbin, wherein it was agreed that upon the completion of the above-listed transactions (notwithstanding the fact that the transaction between the H. Dubbins and William Craig has not been completed), at the next meeting of the Board of Directors, CIC would issue a $200,000 Promissory Note each to the D. Dubbins and the H. Dubbins, interest and principal payable quarterly over a period of two (2) years at 8% interest, at which time the D. Dubbins would forgive the balance due to them from CIC for loans, deferred compensation, bonuses,

and salary, in the amount of $496,923.63. At such time as the aforementioned transaction between the H. Dubbins and William Craig is completed, the H. Dubbins would forgive the balance due them from CIC for loans, deferred compensation, bonuses, and salary in the amount of $387,384.54.

A Special Meeting of the Board of Directors of CIC was held on Monday, March 30, 1992. At that time Resolutions were adopted by the Board of Directors as follows:

That the resignation of D. S. Dubbin as President of CIC and all subsidiaries is accepted.

That William Craig, a member of the Board of Directors, is elected President and Acting Treasurer of CIC.

That the Board approves the issuance of the aforementioned Promissory Notes in the amount of $200,000.00 each to the D. Dubbins and the H. Dubbins.

That the Board approves the General Release from the D. Dubbins to CIC, regarding the forgiveness of debt owed to them, and the General Release from CIC to the D. Dubbins regarding any and all claims, etc.

That the Board accepts the Mutual Releases between CIC, Seymour Friend, and Stanley Wasman, and accepts their resignation from the Board of Directors.

The $500,000 forgiveness referred to in Form 10-K, September 30, 1991; Form 10-Q, December 31, 1991, and Form 8, March 23, 1992, has been superseded by Paragraphs 3, 7, and 8 in this Form 8-K.

The private placement of debentures referred to in the above-described Forms 10-K, 10-Q, and Form 8,. has been superseded by a new proposed plan, terms and conditions of which will be set forth in the Form 10-Q as of March 31, 1992.

The Registrant is preparing an Annual Report and Proxy Statement for an Annual Shareholders Meeting to be held on or before June 15, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: April 7, 1992

CANAVERAL INTERNATIONAL CORP.
(Registrant)

BY: William Craig,
President